



HEALTH ANNUAL STATEMENT
FOR THE YEAR ENDING DECEMBER 31, 2006
OF THE CONDITION AND AFFAIRS OF THE

Great Lakes Health Plan, Inc.

NAIC Group Code	0707	0707	NAIC Company Code	95467	Employer's ID Number	38-3204052
	(Current Period)	(Prior Period)				
Organized under the Laws of	Michigan			State of Domicile or Port of Entry	Michigan	
Country of Domicile	United States					
Licensed as business type:	Life, Accident & Health [] Property/Casualty [] Dental Service Corporation [] Vision Service Corporation [] Other [] Health Maintenance Organization [X] Hospital, Medical & Dental Service or Indemnity [] Is HMO, Federally Qualified? Yes [] No [X]					
Incorporated/Organized	01/11/1994			Commenced Business	10/11/1994	
Statutory Home Office	17117 W. Nine Mile Rd., Suite 1600			Southfield, MI 48075		
	(Street and Number)			(City or Town, State and Zip Code)		
Main Administrative Office	17117 W. Nine Mile Rd, Suite 1600					
	Southfield, MI 48075			248-559-5656		
	(City or Town, State and Zip Code)			(Area Code) (Telephone Number)		
Mail Address	17117 W. Nine Mile Rd., Suite 1600			Southfield, MI 48075		
	(Street and Number or P.O. Box)			(City or Town, State and Zip Code)		
Primary Location of Books and Records	17117 W. Nine Mile Rd, Suite 1600					
	Southfield, MI 48075			248-331-4284		
	(City or Town, State and Zip Code)			(Area Code) (Telephone Number)		
Internet Website Address	www.glhp.com					
Statutory Statement Contact	Chris A. Scherer			248-331-4284		
	(Name)			(Area Code) (Telephone Number) (Extension)		
	cscherer@glhp.com			248-559-4640		
	(E-mail Address)			(FAX Number)		
Policyowner Relations Contact	17117 W. Nine Mile Rd., Suite 1600					
	Southfield, MI 48075			248-331-4284		
	(City or Town, State and Zip Code)			(Area Code) (Telephone Number) (Extension)		

OFFICERS

Name	Title	Name	Title
Chris A. Scherer	President	Eric Wexler	Secretary
Robert W. Oberrender	Treasurer		

OTHER OFFICERS

Dawn Koehler	V.P. Government & Public Relations	Lisa Gray #	V.P. Customer Relations
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DIRECTORS OR TRUSTEES

Thelma Duggin	Deborah Mates Chaskes	Laura Spicer #	William Ralston
Stephen T. Swift			

State of

ss

County of

The officers of this reporting entity, being duly sworn, each depose and say that they are the described officers of said reporting entity, and that on the reporting period stated above, all of the herein described assets were the absolute property of the said reporting entity, free and clear from any liens or claims thereon, except as herein stated, and that this statement, together with related exhibits, schedules and explanations therein contained, annexed or referred to is a full and true statement of all the assets and liabilities and of the condition and affairs of the said reporting entity as of the reporting period stated above, and of its income and deductions therefrom for the period ended, and have been completed in accordance with the NAIC Annual Statement Instructions and Accounting Practices and Procedures manual except to the extent that: (1) state law may differ; or, (2) that state rules or regulations require differences in reporting not related to accounting practices and procedures, according to the best of their information, knowledge and belief, respectively. Furthermore, the scope of this attestation by the described officers also includes the related corresponding electronic filing with the NAIC, when required, that is an exact copy (except for formatting differences due to electronic filing) of the enclosed statement. The electronic filing may be requested by various regulators in lieu of or in addition to the enclosed statement.

Chris A. Scherer
President

Eric Wexler
Secretary

Dawn Koehler
V.P. Government & Public Relations

Subscribed and sworn to before me this
day of March, 2007

a. Is this an original filing? Yes [X] No []
b. If no,
1. State the amendment number
2. Date filed
3. Number of pages attached

ASSETS

	Current Year			Prior Year
	1	2	3	4
	Assets	Nonadmitted Assets	Net Admitted Assets (Cols. 1 - 2)	Net Admitted Assets
1. Bonds (Schedule D).....	1,021,327		1,021,327	.0
2. Stocks (Schedule D):				
2.1 Preferred stocks .....	.0		.0	.0
2.2 Common stocks .....	.0		.0	.0
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens .....			.0	.0
3.2 Other than first liens .....			.0	.0
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less \$ encumbrances).....			.0	.0
4.2 Properties held for the production of income (less \$ encumbrances) .....			.0	.0
4.3 Properties held for sale (less \$ encumbrances) .....			.0	.0
5. Cash (\$ (4,456,508) , Schedule E, Part 1), cash equivalents (\$0 , Schedule E, Part 2) and short-term investments (\$71,713,280 , Schedule DA).....	.67,256,772		.67,256,772	.46,889,778
6. Contract loans, (including \$premium notes)			.0	.0
7. Other invested assets (Schedule BA) .....	.0	.0	.0	.0
8. Receivables for securities .....			.0	.0
9. Aggregate write-ins for invested assets .....	.0	.0	.0	.0
10. Subtotals, cash and invested assets (Lines 1 to 9) .....	.68,278,099	.0	.68,278,099	.46,889,778
11. Title plants less \$charged off (for Title Insurers only) .....			.0	.0
12. Investment income due and accrued .....	.22,663		.22,663	.3,248
13. Premiums and considerations:				
13.1 Uncollected premiums and agents' balances in the course of collection .....			.0	.0
13.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$earned but unbilled premium).....			.0	.0
13.3 Accrued retrospective premium.....			.0	.0
14. Reinsurance:				
14.1 Amounts recoverable from reinsurers .....			.0	.0
14.2 Funds held by or deposited with reinsured companies .....			.0	.0
14.3 Other amounts receivable under reinsurance contracts .....			.0	.0
15. Amounts receivable relating to uninsured plans .....			.0	.0
16.1 Current federal and foreign income tax recoverable and interest thereon	1,419,957	1,419,957	.0	.2,137,157
16.2 Net deferred tax asset.....	2,190,427	1,730,309	460,118	406,996
17. Guaranty funds receivable or on deposit .....			.0	.0
18. Electronic data processing equipment and software.....	.321		.321	.16,368
19. Furniture and equipment, including health care delivery assets (\$ ..... ) .....	.235,890	.235,890	.0	.141,413
20. Net adjustment in assets and liabilities due to foreign exchange rates .....			.0	.0
21. Receivables from parent, subsidiaries and affiliates .....			.0	.0
22. Health care (\$0) and other amounts receivable.....	.2,558,253	.251,993	.2,306,260	.2,825,519
23. Aggregate write-ins for other than invested assets .....	.8,780,942	.8,514,437	.266,505	.0
24. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 10 to 23).....	.83,486,552	.12,152,586	.71,333,966	.52,420,479
25. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			.0	.0
26. Total (Lines 24 and 25)	83,486,552	12,152,586	71,333,966	52,420,479
DETAILS OF WRITE-INS				
0901.				
0902.				
0903.				
0998. Summary of remaining write-ins for Line 9 from overflow page .....	.0	.0	.0	.0
0999. Totals (Lines 0901 through 0903 plus 0998) (Line 9 above)	0	0	0	0
2301. Intangible Asset.....	.3,764,043	.3,764,043	.0	.0
2302. State Tax Receivable.....	.266,505		.266,505	.0
2303. Goodwill.....	.4,750,394	.4,750,394	.0	.0
2398. Summary of remaining write-ins for Line 23 from overflow page .....	.0	.0	.0	.0
2399. Totals (Lines 2301 through 2303 plus 2398) (Line 23 above)	8,780,942	8,514,437	266,505	0

LIABILITIES, CAPITAL AND SURPLUS

	Current Year			Prior Year
	1 Covered	2 Uncovered	3 Total	4 Total
1. Claims unpaid (less \$ reinsurance ceded)	26,581,927		26,581,927	19,120,844
2. Accrued medical incentive pool and bonus amounts			0	0
3. Unpaid claims adjustment expenses	678,500		678,500	400,000
4. Aggregate health policy reserves			0	0
5. Aggregate life policy reserves			0	0
6. Property/casualty unearned premium reserves			0	0
7. Aggregate health claim reserves			0	0
8. Premiums received in advance			0	0
9. General expenses due or accrued	5,292,301		5,292,301	664,882
10.1 Current federal and foreign income tax payable and interest thereon (including \$ on realized capital gains (losses))			0	0
10.2 Net deferred tax liability			0	0
11. Ceded reinsurance premiums payable			0	0
12. Amounts withheld or retained for the account of others			0	0
13. Remittance and items not allocated			0	0
14. Borrowed money (including \$ current) and interest thereon \$ (including \$ current)			0	0
15. Amounts due to parent, subsidiaries and affiliates	3,243,037		3,243,037	36,629
16. Payable for securities			0	0
17. Funds held under reinsurance treaties with (\$ authorized reinsurers and \$ unauthorized reinsurers)			0	0
18. Reinsurance in unauthorized companies			0	0
19. Net adjustments in assets and liabilities due to foreign exchange rates			0	0
20. Liability for amounts held under uninsured plans			0	0
21. Aggregate write-ins for other liabilities (including \$ current)	162,643	0	162,643	0
22. Total liabilities (Lines 1 to 21)	35,958,408	0	35,958,408	20,222,355
23. Aggregate write-ins for special surplus funds	XXX	XXX	0	0
24. Common capital stock	XXX	XXX		0
25. Preferred capital stock	XXX	XXX		0
26. Gross paid in and contributed surplus	XXX	XXX	35,763,489	31,763,489
27. Surplus notes	XXX	XXX		0
28. Aggregate write-ins for other than special surplus funds	XXX	XXX	0	0
29. Unassigned funds (surplus)	XXX	XXX	(387,931)	434,635
30. Less treasury stock, at cost:				
30.1 shares common (value included in Line 24 \$)	XXX	XXX	0	0
30.2 shares preferred (value included in Line 25 \$)	XXX	XXX	0	0
31. Total capital and surplus (Lines 23 to 29 minus Line 30)	XXX	XXX	35,375,558	32,198,124
32. Total liabilities, capital and surplus (Lines 22 and 31)	XXX	XXX	71,333,966	52,420,479
DETAILS OF WRITE-INS				
2101. Escheat Funds	162,643		162,643	0
2102.				
2103.				
2198. Summary of remaining write-ins for Line 21 from overflow page	0	0	0	0
2199. Totals (Lines 2101 through 2103 plus 2198) (Line 21 above)	162,643	0	162,643	0
2301.	XXX	XXX		
2302.	XXX	XXX		
2303.	XXX	XXX		
2398. Summary of remaining write-ins for Line 23 from overflow page	XXX	XXX	0	0
2399. Totals (Lines 2301 through 2303 plus 2398) (Line 23 above)	XXX	XXX	0	0
2801.	XXX	XXX		
2802.	XXX	XXX		
2803.	XXX	XXX		
2898. Summary of remaining write-ins for Line 28 from overflow page	XXX	XXX	0	0
2899. Totals (Lines 2801 through 2803 plus 2898) (Line 28 above)	XXX	XXX	0	0

STATEMENT OF REVENUE AND EXPENSES

	Current Year		Prior Year
	1 Uncovered	2 Total	3 Total
1. Member Months.....	XXX	1,447,116	1,296,040
2. Net premium income (including \$0 non-health premium income).....	XXX	278,748,824	250,794,373
3. Change in unearned premium reserves and reserve for rate credits	XXX		0
4. Fee-for-service (net of \$ medical expenses)	XXX		0
5. Risk revenue	XXX		0
6. Aggregate write-ins for other health care related revenues	XXX	(16,804,844)	(15,053,141)
7. Aggregate write-ins for other non-health revenues	XXX	0	0
8. Total revenues (Lines 2 to 7)	XXX	261,943,980	235,741,232
Hospital and Medical:			
9. Hospital/medical benefits		164,285,245	144,030,232
10. Other professional services		9,980,642	8,810,695
11. Outside referrals			0
12. Emergency room and out-of-area		13,993,922	13,613,082
13. Prescription drugs		41,681,414	32,494,879
14. Aggregate write-ins for other hospital and medical.....	0	0	0
15. Incentive pool, withhold adjustments and bonus amounts.....			0
16. Subtotal (Lines 9 to 15)	0	229,941,223	198,948,888
Less:			
17. Net reinsurance recoveries		482,944	587,716
18. Total hospital and medical (Lines 16 minus 17)	0	229,458,279	198,361,172
19. Non-health claims (net).....			0
20. Claims adjustment expenses, including \$3,977,865 cost containment expenses.....		5,582,735	5,036,990
21. General administrative expenses.....		27,473,782	25,691,235
22. Increase in reserves for life and accident and health contracts (including \$ increase in reserves for life only).....		0	0
23. Total underwriting deductions (Lines 18 through 22)	0	262,514,796	229,089,397
24. Net underwriting gain or (loss) (Lines 8 minus 23)	XXX	(570,815)	6,651,835
25. Net investment income earned (Exhibit of Net Investment Income, Line 17).....		2,976,262	1,614,639
26. Net realized capital gains (losses) less capital gains tax of \$			0
27. Net investment gains (losses) (Lines 25 plus 26)	0	2,976,262	1,614,639
28. Net gain or (loss) from agents' or premium balances charged off [(amount recovered \$) (amount charged off \$)]			0
29. Aggregate write-ins for other income or expenses	0	0	0
30. Net income or (loss) after capital gains tax and before all other federal income taxes (Lines 24 plus 27 plus 28 plus 29).....	XXX	2,405,447	8,266,474
31. Federal and foreign income taxes incurred	XXX	1,014,157	2,489,394
32. Net income (loss) (Lines 30 minus 31)	XXX	1,391,290	5,777,080
DETAILS OF WRITE-INS			
0601. QAAP tax.....	XXX	(16,804,844)	(15,053,141)
0602.	XXX		
0603.	XXX		
0698. Summary of remaining write-ins for Line 6 from overflow page	XXX	0	0
0699. Totals (Lines 0601 through 0603 plus 0698) (Line 6 above)	XXX	(16,804,844)	(15,053,141)
0701.	XXX		
0702.	XXX		
0703.	XXX		
0798. Summary of remaining write-ins for Line 7 from overflow page	XXX	0	0
0799. Totals (Lines 0701 through 0703 plus 0798) (Line 7 above)	XXX	0	0
1401.			
1402.			
1403.			
1498. Summary of remaining write-ins for Line 14 from overflow page	0	0	0
1499. Totals (Lines 1401 through 1403 plus 1498) (Line 14 above)	0	0	0
2901.			
2902.			
2903.			
2998. Summary of remaining write-ins for Line 29 from overflow page	0	0	0
2999. Totals (Lines 2901 through 2903 plus 2998) (Line 29 above)	0	0	0

STATEMENT OF REVENUE AND EXPENSES (continued)

	1 Current Year	2 Prior Year
CAPITAL AND SURPLUS ACCOUNT:		
33. Capital and surplus prior-reporting period	32,198,124	40,028,468
34. Net income or (loss) from Line 32	1,391,290	5,777,080
35. Change in valuation basis of aggregate policy and claim reserves		0
36. Change in net unrealized capital gains (losses) less capital gains tax of \$		0
37. Change in net unrealized foreign exchange capital gain or (loss)		0
38. Change in net deferred income tax	(837,107)	(431,258)
39. Change in nonadmitted assets	(1,376,749)	(46,948)
40. Change in unauthorized reinsurance	0	0
41. Change in treasury stock	0	0
42. Change in surplus notes	0	(14,000,000)
43. Cumulative effect of changes in accounting principles		0
44. Capital Changes:		
44.1 Paid in	0	0
44.2 Transferred from surplus (Stock Dividend)		0
44.3 Transferred to surplus		0
45. Surplus adjustments:		
45.1 Paid in	4,000,000	0
45.2 Transferred to capital (Stock Dividend)	0	0
45.3 Transferred from capital		0
46. Dividends to stockholders		0
47. Aggregate write-ins for gains or (losses) in surplus	0	870,782
48. Net change in capital & surplus (Lines 34 to 47)	3,177,434	(7,830,344)
49. Capital and surplus end of reporting period (Line 33 plus 48)	35,375,558	32,198,124
DETAILS OF WRITE-INS		
4701. Prior Year Audit Adjustements.....		870,782
4702.		
4703.		
4798. Summary of remaining write-ins for Line 47 from overflow page	0	0
4799. Totals (Lines 4701 through 4703 plus 4798) (Line 47 above)	0	870,782

CASH FLOW

	1 Current Year To Date	2 Prior Year Ended December 31
Cash from Operations		
1. Premiums collected net of reinsurance.....	279,116,615	254,788,593
2. Net investment income	2,960,363	1,706,698
3. Miscellaneous income	(16,804,844)	(15,053,141)
4. Total (Lines 1 through 3)	265,272,134	241,442,150
5. Benefits and loss related payments	221,997,196	199,927,866
6. Net transfers to Separate, Segregated Accounts and Protected Cell Accounts.....		0
7. Commissions, expenses paid and aggregate write-ins for deductions	26,080,221	27,715,064
8. Dividends paid to policyholders		0
9. Federal and foreign income taxes paid (recovered) \$ net of tax on capital gains (losses)	(990,711)	6,598,495
10. Total (Lines 5 through 9)	247,086,706	234,241,425
11. Net cash from operations (Line 4 minus Line 10)	18,185,429	7,200,724
Cash from Investments		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds	0	0
12.2 Stocks	0	0
12.3 Mortgage loans	0	0
12.4 Real estate	0	0
12.5 Other invested assets	0	0
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments	0	0
12.7 Miscellaneous proceeds	0	0
12.8 Total investment proceeds (Lines 12.1 to 12.7)	0	0
13. Cost of investments acquired (long-term only):		
13.1 Bonds	1,024,844	0
13.2 Stocks	0	0
13.3 Mortgage loans	0	0
13.4 Real estate	0	0
13.5 Other invested assets	0	0
13.6 Miscellaneous applications	0	0
13.7 Total investments acquired (Lines 13.1 to 13.6)	1,024,844	0
14. Net increase (or decrease) in contract loans and premium notes	0	0
15. Net cash from investments (Line 12.8 minus Line 13.7 and Line 14)	(1,024,844)	0
Cash from Financing and Miscellaneous Sources		
16. Cash provided (applied):		
16.1 Surplus notes, capital notes	0	(14,000,000)
16.2 Capital and paid in surplus, less treasury stock.....	4,000,000	0
16.3 Borrowed funds	0	0
16.4 Net deposits on deposit-type contracts and other insurance liabilities		0
16.5 Dividends to stockholders	0	0
16.6 Other cash provided (applied).....	(793,592)	(10,972,051)
17. Net cash from financing and miscellaneous sources (Line 16.1 to Line 16.4 minus Line 16.5 plus Line 16.6)	3,206,408	(24,972,051)
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS		
18. Net change in cash, cash equivalents and short-term investments (Line 11 plus Line 15 plus Line 17)	20,366,993	(17,771,327)
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year	46,889,779	64,661,106
19.2 End of year (Line 18 plus Line 19.1).....	67,256,772	46,889,779

ANNUAL STATEMENT FOR THE YEAR 2006 OF THE Great Lakes Health Plan, Inc.

ANALYSIS OF OPERATIONS BY LINES OF BUSINESS

	1	2	3	4	5	6	7	8	9	10	11	12	13
	Total	Comprehensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefit Plan	Title XVIII Medicare	Title XIX Medicaid	Stop Loss	Disability Income	Long-term Care	Other Health	Other Non-Health
1. Net premium income	278,748,824	.0	.0	.0	.0	.0	.0	278,748,824	.0	.0	.0	.0	.0
2. Change in unearned premium reserves and reserve for rate credit	.0												
3. Fee-for-service (net of \$ medical expenses)	.0												XXX
4. Risk revenue	.0												XXX
5. Aggregate write-ins for other health care related revenues	(16,804,844)	.0	.0	.0	.0	.0	.0	(16,804,844)	.0	.0	.0	.0	XXX
6. Aggregate write-ins for other non-health care related revenues	.0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	.0
7. Total revenues (Lines 1 to 6)	261,943,980	.0	.0	.0	.0	.0	.0	261,943,980	.0	.0	.0	.0	.0
8. Hospital/medical/ benefits	164,285,245							164,285,245					XXX
9. Other professional services	9,980,642							9,980,642					XXX
10. Outside referrals	.0												XXX
11. Emergency room and out-of-area	13,993,922							13,993,922					XXX
12. Prescription Drugs	41,681,414							41,681,414					XXX
13. Aggregate write-ins for other hospital and medical	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	XXX
14. Incentive pool, withhold adjustments and bonus amounts	.0												XXX
15. Subtotal (Lines 8 to 14)	229,941,223	.0	.0	.0	.0	.0	.0	229,941,223	.0	.0	.0	.0	XXX
16. Net reinsurance recoveries	482,944							482,944					XXX
17. Total hospital and medical (Lines 15 minus 16)	229,458,279	.0	.0	.0	.0	.0	.0	229,458,279	.0	.0	.0	.0	XXX
18. Non-health claims (net)	.0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	.0
19. Claims adjustment expenses including \$ 3,977,865 cost containment expenses	5,582,735							5,582,735					
20. General administrative expenses	27,473,782							27,473,782					
21. Increase in reserves for accident and health contracts	.0												XXX
22. Increase in reserves for life contracts	.0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
23. Total underwriting deductions (Lines 17 to 22)	262,514,796	.0	.0	.0	.0	.0	.0	262,514,796	.0	.0	.0	.0	.0
24. Net underwriting gain or (loss) (Line 7 minus Line 23)	(570,816)	0	0	0	0	0	0	(570,816)	0	0	0	0	0
DETAILS OF WRITE-INS													
0501. QAAP Tax	(16,804,844)							(16,804,844)					XXX
0502.													XXX
0503.													XXX
0598. Summary of remaining write-ins for Line 5 from overflow page	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	XXX
0599. Totals (Lines 0501 through 0503 plus 0598) (Line 5 above)	(16,804,844)	0	0	0	0	0	0	(16,804,844)	0	0	0	0	XXX
0601.		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
0602.		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
0603.		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
0698. Summary of remaining write-ins for Line 6 from overflow page	.0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	.0
0699. Totals (Lines 0601 through 0603 plus 0698) (Line 6 above)	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
1301.													XXX
1302.													XXX
1303.													XXX
1398. Summary of remaining write-ins for Line 13 from overflow page	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	XXX
1399. Totals (Lines 1301 through 1303 plus 1398) (Line 13 above)	0	0	0	0	0	0	0	0	0	0	0	0	XXX

UNDERWRITING AND INVESTMENT EXHIBIT
PART 1 - PREMIUMS

	1	2	3	4
Line of Business	Direct Business	Reinsurance Assumed	Reinsurance Ceded	Net Premium Income (Cols. 1+2-3)
1. Comprehensive (hospital and medical) .....				.0
2. Medicare Supplement .....				.0
3. Dental Only.....				.0
4. Vision Only.....				.0
5. Federal Employees Health Benefits Plan .....				.0
6. Title XVIII - Medicare .....				.0
7. Title XIX - Medicaid.....	279,689,101	.0	940,277	278,748,824
8. Stop Loss .....				.0
9. Disability Income .....				.0
10. Long-term care .....				.0
11. Other health.....				.0
12. Health subtotal (Lines 1 through 11)	279,689,101	.0	940,277	278,748,824
13. Life .....				.0
14. Property/Casualty.....				.0
15. Totals (Lines 12 to 14)	279,689,101	0	940,277	278,748,824

STATEMENT AS OF ANNUAL STATEMENT FOR THE YEAR 2006 OF THE Great Lakes Health Plan, Inc.

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2 - Claims Incurred During the Year

	1	2	3	4	5	6	7	8	9	10	11	12	13
	Total	Comprehensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Stop Loss	Disability Income	Long-Term Care	Other Health	Other Non-Health
1. Payments during the year:													
1.1 Direct	222,480,140							222,480,140					
1.2 Reinsurance assumed	0												
1.3 Reinsurance ceded	482,944							482,944					
1.4 Net	221,997,196	0	0	0	0	0	0	221,997,196	0	0	0	0	0
2. Paid medical incentive pools and bonuses	0												
3. Claim liability December 31, current year from Part 2A:													
3.1 Direct	26,581,927	0	0	0	0	0	0	26,581,927	0	0	0	0	0
3.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0	0	0	0
3.3 Reinsurance ceded	0	0	0	0	0	0	0	0	0	0	0	0	0
3.4 Net	26,581,927	0	0	0	0	0	0	26,581,927	0	0	0	0	0
4. Claim reserve December 31, current year from Part 2D:													
4.1 Direct	0												
4.2 Reinsurance assumed	0												
4.3 Reinsurance ceded	0	0	0	0	0	0	0	0	0	0	0	0	0
4.4 Net	0	0	0	0	0	0	0	0	0	0	0	0	0
5. Accrued medical incentive pools and bonuses, current year	0												
6. Net healthcare receivables (a)	0												
7. Amounts recoverable from reinsurers December 31, current year	0												
8. Claim liability December 31, prior year from Part 2A:													
8.1 Direct	19,120,844	0	0	0	0	0	0	19,120,844	0	0	0	0	0
8.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0	0	0	0
8.3 Reinsurance ceded	0	0	0	0	0	0	0	0	0	0	0	0	0
8.4 Net	19,120,844	0	0	0	0	0	0	19,120,844	0	0	0	0	0
9. Claim reserve December 31, prior year from Part 2D:													
9.1 Direct	0	0	0	0	0	0	0	0	0	0	0	0	0
9.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0	0	0	0
9.3 Reinsurance ceded	0	0	0	0	0	0	0	0	0	0	0	0	0
9.4 Net	0	0	0	0	0	0	0	0	0	0	0	0	0
10. Accrued medical incentive pools and bonuses, prior year	0	0	0	0	0	0	0	0	0	0	0	0	0
11. Amounts recoverable from reinsurers December 31, prior year	0	0	0	0	0	0	0	0	0	0	0	0	0
12. Incurred Benefits:													
12.1 Direct	229,941,223	0	0	0	0	0	0	229,941,223	0	0	0	0	0
12.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0	0	0	0
12.3 Reinsurance ceded	482,944	0	0	0	0	0	0	482,944	0	0	0	0	0
12.4 Net	229,458,279	0	0	0	0	0	0	229,458,279	0	0	0	0	0
13. Incurred medical incentive pools and bonuses	0	0	0	0	0	0	0	0	0	0	0	0	0

(a) Excludes \$ loans or advances to providers not yet expensed.

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2A - Claims Liability End of Current Year

	1	2	3	4	5	6	7	8	9	10	11	12	13
	Total	Comprehensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan Premium	Title XVIII Medicare	Title XIX Medicaid	Stop Loss	Disability Income	Long-Term Care	Other Health	Other Non-Health
1. Reported in Process of Adjustment:													
1.1. Direct	5,855,085							5,855,085					
1.2. Reinsurance assumed	0												
1.3. Reinsurance ceded	0												
1.4. Net	5,855,085	0	0	0	0	0	0	5,855,085	0	0	0	0	0
2. Incurred but Unreported:													
2.1. Direct	20,726,842							20,726,842					
2.2. Reinsurance assumed	0												
2.3. Reinsurance ceded	0												
2.4. Net	20,726,842	0	0	0	0	0	0	20,726,842	0	0	0	0	0
3. Amounts Withheld from Paid Claims and Capitations:													
3.1. Direct	0												
3.2. Reinsurance assumed	0												
3.3. Reinsurance ceded	0												
3.4. Net	0	0	0	0	0	0	0	0	0	0	0	0	0
4. TOTALS:													
4.1. Direct	26,581,927	0	0	0	0	0	0	26,581,927	0	0	0	0	0
4.2. Reinsurance assumed	0	0	0	0	0	0	0	0	0	0	0	0	0
4.3. Reinsurance ceded	0	0	0	0	0	0	0	0	0	0	0	0	0
4.4. Net	26,581,927	0	0	0	0	0	0	26,581,927	0	0	0	0	0

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2B - ANALYSIS OF CLAIMS UNPAID - PRIOR YEAR - NET OF REINSURANCE

Line of Business	Claims Paid During the Year		Claim Reserve and Claim Liability Dec. 31 of Current Year		5 Claims Incurred in Prior Years (Columns 1 + 3)	6 Estimated Claim Reserve and Claim Liability December 31 of Prior Year
	1 On Claims Incurred Prior to January 1 of Current Year	2 On Claims Incurred During the Year	3 On Claims Unpaid December 31 of Prior Year	4 On Claims Incurred During the Year		
1. Comprehensive (hospital and medical)					0	0
2. Medicare Supplement					0	0
3. Dental Only.....					0	0
4. Vision Only.....					0	0
5. Federal Employees Health Benefits Plan Premiums					0	0
6. Title XVIII - Medicare					0	0
7. Title XIX - Medicaid.....	15,258,608	206,738,589	106,372	26,475,555	15,364,980	19,120,845
8. Other health					0	0
9. Health subtotal (Lines 1 to 8).....	15,258,608	206,738,589	106,372	26,475,555	15,364,980	19,120,845
10. Healthcare receivables (a).....					0	
11. Other non-health.....					0	0
12. Medical incentive pools and bonus amounts					0	0
13. Totals (Lines 9 - 10 + 11 + 12)	15,258,608	206,738,589	106,372	26,475,555	15,364,980	19,120,845

(a) Excludes \$loans or advances to providers not yet expensed.

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS
(000 Omitted)

Section A - Paid Health Claims - Title XIX Medicaid

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2002	2 2003	3 2004	4 2005	5 2006
1. Prior	223,951	224,153	224,129	224,129	224,129
2. 2002	86,378	101,404	101,359	101,359	101,359
3. 2003	XXX	115,437	132,431	132,419	132,373
4. 2004	XXX	XXX	99,089	114,763	114,687
5. 2005	XXX	XXX	XXX	184,345	199,726
6. 2006	XXX	XXX	XXX	XXX	206,739

Section B – Incurred Health Claims - Title XIX Medicaid

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2002	2 2003	3 2004	4 2005	5 2006
1. Prior	89,003	89,360	89,322	89,322	89,322
2. 2002	104,823	101,618	101,359	101,359	101,359
3. 2003	XXX	117,342	132,431	132,378	132,332
4. 2004	XXX	XXX	119,815	119,815	199,726
5. 2005	XXX	XXX	XXX	184,451	199,832
6. 2006	XXX	XXX	XXX	XXX	233,215

Section C – Incurred Year Health Claims and Claims Adjustment Expense Ratio – Title XIX Medicaid

Years in which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claims Payments	3 Claim Adjustment Expense Payments	4 Col. (3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2+3)	6 Col. (5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8)	10 Col. (9/1) Percent
1. 2002	163,223	101,359	4,427	4.4	105,786	64.8			105,786	64.8
2. 2003	179,727	132,373	4,129	3.1	136,502	75.9			136,502	75.9
3. 2004	197,998	114,687	3,861	3.4	118,548	59.9			118,548	59.9
4. 2005	235,741	199,726	5,037	2.5	204,763	86.9	106		204,869	86.9
5. 2006	278,749	206,739	5,304	2.6	212,043	76.1	26,476	678	239,197	85.8

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS
(000 Omitted)

Section A - Paid Health Claims - Grand Total

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2002	2 2003	3 2004	4 2005	5 2006
1. Prior	223,951	224,153	224,129	224,129	224,129
2. 2002	86,378	101,404	101,359	101,359	101,359
3. 2003	XXX	115,437	132,431	132,419	132,373
4. 2004	XXX	XXX	99,089	114,763	114,687
5. 2005	XXX	XXX	XXX	184,345	199,726
6. 2006	XXX	XXX	XXX	XXX	206,739

Section B - Incurred Health Claims - Grand Total

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2002	2 2003	3 2004	4 2005	5 2006
1. Prior	89,003	89,360	89,322	89,322	89,322
2. 2002	104,823	101,618	101,359	101,359	101,359
3. 2003	XXX	117,342	132,431	132,378	132,332
4. 2004	XXX	XXX	119,815	119,815	199,726
5. 2005	XXX	XXX	XXX	184,451	199,832
6. 2006	XXX	XXX	XXX	XXX	233,215

Section C – Incurred Year Health Claims and Claims Adjustment Expense Ratio – Grand Total

Years in which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claims Payments	3 Claim Adjustment Expense Payments	4 Col. (3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2+3)	6 Col. (5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8)	10 Col. (9/1) Percent
1. 2002	163,223	101,359	4,427	4.4	105,786	64.8	.0	.0	105,786	64.8
2. 2003	179,727	132,373	4,129	3.1	136,502	75.9	.0	.0	136,502	75.9
3. 2004	197,998	114,687	3,861	3.4	118,548	59.9	.0	.0	118,548	59.9
4. 2005	235,741	199,726	5,037	2.5	204,763	86.9	106	.0	204,869	86.9
5. 2006	278,749	206,739	5,304	2.6	212,043	76.1	26,476	678	239,197	85.8

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2D - AGGREGATE RESERVE FOR ACCIDENT AND HEALTH CONTRACTS ONLY

	1	2	3	4	5	6	7	8	9	10	11	12
	Total	Comprehensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefit Plan	Title XVIII Medicare	Title XIX Medicaid	Stop Loss	Disability Income	Long-Term Care	Other
POLICY RESERVE												
1. Unearned premium reserves .....	.0											
2. Additional policy reserves (a) .....	.0											
3. Reserve for future contingent benefits .....	.0											
4. Reserve for rate credits or experience rating refunds (including \$ for investment income) .....	.0											
5. Aggregate write-ins for other policy reserves .....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
6. Totals (Gross) .....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
7. Reinsurance ceded .....	.0											
8. Totals (Net) (Page 3, Line 4)	0	0			0	0	0	0	0	0	0	0
CLAIM RESERVE												
9. Present value of amounts not yet due on claims .....	.0											
10. Reserve for future contingent benefits .....	.0											
11. Aggregate write-ins for other claim reserves .....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
12. Totals (Gross) .....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
13. Reinsurance ceded .....	.0											
14. Totals (Net) (Page 3, Line 7)	0	0	0	0	0	0	0	0	0	0	0	0
DETAILS OF WRITE-INS												
0501.												
0502.												
0503.												
0598. Summary of remaining write-ins for Line 5 from overflow page .....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
0599. TOTALS (Lines 0501 through 0503 plus 0598) (Line 5 above)	0	0	0	0	0	0	0	0	0	0	0	0
1101.												
1102.												
1103.												
1198. Summary of remaining write-ins for Line 11 from overflow page .....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
1199. TOTALS (Lines 1101 through 1103 plus 1198) (Line 11 above)	0	0	0	0	0	0	0	0	0	0	0	0

(a) Includes \$ premium deficiency reserve.

UNDERWRITING AND INVESTMENT EXHIBIT
PART 3 - ANALYSIS OF EXPENSES

	Claim Adjustment Expenses		3 General Administrative Expenses	4 Investment Expenses	5 Total
	1 Cost Containment Expenses	2 Other Claim Adjustment Expenses			
1. Rent (\$for occupancy of own building).....	129,078	86,667	451,243		666,989
2. Salaries, wages and other benefits.....	2,790,373	1,117,137	8,686,400		12,593,910
3. Commissions (less \$ceded plus \$assumed.....					0
4. Legal fees and expenses.....			64,134		64,134
5. Certifications and accreditation fees.....					0
6. Auditing, actuarial and other consulting services.....	656,751		689,852		1,346,603
7. Traveling expenses.....	32,546	213	179,628		212,387
8. Marketing and advertising.....	63,853		1,058,255		1,122,108
9. Postage, express and telephone.....	8,536	2,552	804,518		815,606
10. Printing and office supplies.....	7,370	1,224	279,246		287,839
11. Occupancy, depreciation and amortization.....	27,730	14,337	1,262,992		1,305,058
12. Equipment.....	4,367	2,337	1,643,367		1,650,070
13. Cost or depreciation of EDP equipment and software.....			356,355		356,355
14. Outsourced services including EDP, claims, and other services.....	1,137	295,694	1,643,502		1,940,332
15. Boards, bureaus and association fees.....	16,633		25,826		42,459
16. Insurance, except on real estate.....			285,784		285,784
17. Collection and bank service charges.....			217,611		217,611
18. Group service and administration fees.....	1,561		9,295,683		9,297,244
19. Reimbursements by uninsured plans.....					0
20. Reimbursements from fiscal intermediaries.....					0
21. Real estate expenses.....					0
22. Real estate taxes.....			47,577		47,577
23. Taxes, licenses and fees:					
23.1 State and local insurance taxes.....			(290,002)		(290,002)
23.2 State premium taxes.....					0
23.3 Regulatory authority licenses and fees.....	20,166		114,781		134,947
23.4 Payroll taxes.....	217,764	84,785	657,066		959,615
23.5 Other (excluding federal income and real estate taxes).....					0
24. Investment expenses not included elsewhere.....		(75)	(33)		(108)
25. Aggregate write-ins for expenses.....	0	0	0	0	0
26. Total expenses incurred (Lines 1 to 25).....	3,977,865	1,604,870	27,473,782	0	(a).....33,056,517
27. Less expenses unpaid December 31, current year.....		678,500	5,292,301		5,970,801
28. Add expenses unpaid December 31, prior year.....	0	400,000	664,882	0	1,064,882
29. Amounts receivable relating to uninsured plans, prior year.....	0	0	0	0	0
30. Amounts receivable relating to uninsured plans, current year.....					0
31. Total expenses paid (Lines 26 minus 27 plus 28 minus 29 plus 30)	3,977,865	1,326,370	22,846,363	0	28,150,598
DETAIL OF WRITE-INS					
2501.					
2502.					
2503.					
2598. Summary of remaining write-ins for Line 25 from overflow page.....	0	0	0	0	0
2599. Totals (Line 2501 through 2503 plus 2598)(Line 25 above)	0	0	0	0	0

(a) Includes management fees of \$31,383,177 to affiliates and \$0 to non-affiliates.

EXHIBIT OF NET INVESTMENT INCOME

		1	2
		Collected During Year	Earned During Year
1.	U.S. Government bonds	(a) 2,285	..... 24,948
1.1	Bonds exempt from U.S. tax	(a) .....	.....
1.2	Other bonds (unaffiliated)	(a) .....	.....
1.3	Bonds of affiliates	(a) .....	.....
2.1	Preferred stocks (unaffiliated)	(b) .....	.....
2.11	Preferred stocks of affiliates	(b) .....	.....
2.2	Common stocks (unaffiliated) .....	.....	.....
2.21	Common stocks of affiliates .....	.....	.....
3.	Mortgage loans	(c) .....	.....
4.	Real estate	(d) .....	.....
5.	Contract loans.....	.....	.....
6.	Cash, cash equivalents and short-term investments	(e) 2,951,314	..... 2,951,314
7.	Derivative instruments	(f) .....	.....
8.	Other invested assets .....	.....	.....
9.	Aggregate write-ins for investment income .....	..... 0	..... 0
10.	Total gross investment income	2,953,599	2,976,262
11.	Investment expenses		(g) 0
12.	Investment taxes, licenses and fees, excluding federal income taxes		(g)
13.	Interest expense		(h)
14.	Depreciation on real estate and other invested assets		(i)
15.	Aggregate write-ins for deductions from investment income .....		..... 0
16.	Total (Lines 11 through 15) .....		..... 0
17.	Net Investment Income - (Line 10 minus Line 16)		2,976,262
DETAILS OF WRITE-INS			
0901.	.....	.....	.....
0902.	.....	.....	.....
0903.	.....	.....	.....
0998.	Summary of remaining write-ins for Line 9 from overflow page .....	..... 0	..... 0
0999.	Totals (Lines 0901 through 0903 plus 0998) (Line 9, above)	0	0
1501.	.....		.....
1502.	.....		.....
1503.	.....		.....
1598.	Summary of remaining write-ins for Line 15 from overflow page .....		..... 0
1599.	Total (Lines 1501 through 1503 plus 1598) (Line 15, above)		0

(a) Includes \$ accrual of discount less \$ 3,516 amortization of premium and less \$ 24,199 paid for accrued interest on purchases.
(b) Includes \$ accrual of discount less \$ amortization of premium and less \$ paid for accrued dividends on purchases.
(c) Includes \$ accrual of discount less \$ amortization of premium and less \$ paid for accrued interest on purchases.
(d) Includes \$ for company's occupancy of its own buildings; and excludes \$ interest on encumbrances.
(e) Includes \$ accrual of discount less \$ amortization of premium and less \$ paid for accrued interest on purchases.
(f) Includes \$ accrual of discount less \$ amortization of premium.
(g) Includes \$ investment expenses and \$ investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.
(h) Includes \$ interest on surplus notes and \$ interest on capital notes.
(i) Includes \$ depreciation on real estate and \$ depreciation on other invested assets.

EXHIBIT OF CAPITAL GAINS (LOSSES)

		1	2	3	4
		Realized Gain (Loss) On Sales or Maturity	Other Realized Adjustments	Unrealized Increases (Decreases) by Adjustment	Total
1.	U.S. Government bonds				0
1.1	Bonds exempt from U.S. tax				0
1.2	Other bonds (unaffiliated)				0
1.3	Bonds of affiliates	0		0	0
2.1	Preferred stocks (unaffiliated)				0
2.11	Preferred stocks of affiliates	0		0	0
2.2	Common stocks (unaffiliated)				0
2.21	Common stocks of affiliates	0	0	0	0
3.	Mortgage loans				0
4.	Real estate				0
5.	Contract loans				0
6.	Cash, cash equivalents and short-term investments				0
7.	Derivative instruments				0
8.	Other invested assets				0
9.	Aggregate write-ins for capital gains (losses)	0	0	0	0
10.	Total capital gains (losses)	0	0	0	0
DETAILS OF WRITE-INS					
0901.	.....			
0902.	.....			
0903.	.....			
0998.	Summary of remaining write-ins for Line 9 from overflow page	0	0	0	0
0999.	Totals (Lines 0901 through 0903 plus 0998) (Line 9, above)	0	0	0	0

EXHIBIT OF NONADMITTED ASSETS

	1	2	3
	Current Year Total Nonadmitted Assets	Prior Year Nonadmitted Assets	Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
1. Bonds (Schedule D).....	0	0	0
2. Stocks (Schedule D):			
2.1 Preferred stocks	0	0	0
2.2 Common stocks	0	0	0
3. Mortgage loans on real estate (Schedule B):			
3.1 First liens	0	0	0
3.2 Other than first liens	0	0	0
4. Real estate (Schedule A):			
4.1 Properties occupied by the company	0	0	0
4.2 Properties held for the production of income.....	0	0	0
4.3 Properties held for sale	0	0	0
5. Cash, (Schedule-E, Part 1), cash equivalents (Schedule-E, Part 2) and short-term investments (Schedule DA).....	0	0	0
6. Contract loans	0	0	0
7. Other invested assets (Schedule BA)	0	0	0
8. Receivables for securities	0	0	0
9. Aggregate write-ins for invested assets	0	0	0
10. Subtotals, cash and invested assets (Lines 1 to 9)	0	0	0
11. Title plants (for Title insurers only).....	0	0	0
12. Investment income due and accrued	0	0	0
13. Premiums and considerations:			
13.1 Uncollected premiums and agents' balances in the course of collection	0	0	0
13.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due.....	0	0	0
13.3 Accrued retrospective premium.....	0	0	0
14. Reinsurance:			
14.1 Amounts recoverable from reinsurers	0	0	0
14.2 Funds held by or deposited with reinsured companies	0	0	0
14.3 Other amounts receivable under reinsurance contracts	0	0	0
15. Amounts receivable relating to uninsured plans	0	0	0
16.1 Current federal and foreign income tax recoverable and interest thereon	1,419,957	1,287,668	(132,289)
16.2 Net deferred tax asset.....	1,730,309	2,620,538	890,229
17. Guaranty funds receivable or on deposit	0	0	0
18. Electronic data processing equipment and software.....	0	0	0
19. Furniture and equipment, including health care delivery assets.....	235,890	424,237	188,347
20. Net adjustment in assets and liabilities due to foreign exchange rates	0	0	0
21. Receivables from parent, subsidiaries and affiliates	0	0	0
22. Health care and other amounts receivable.....	251,993	100,525	(151,468)
23. Aggregate write-ins for other than invested assets	8,514,437	6,342,869	(2,171,568)
24. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 10 to 23).....	12,152,586	10,775,837	(1,376,749)
25. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....	0	0	0
26. Total (Lines 24 and 25)	12,152,586	10,775,837	(1,376,749)
DETAILS OF WRITE-INS			
0901.			
0902.			
0903.			
0998. Summary of remaining write-ins for Line 9 from overflow page	0	0	0
0999. Totals (Lines 0901 through 0903 plus 0998)(Line 9 above)	0	0	0
2301. JV Recievable.....	0	569,000	569,000
2302. Intangible Asset.....	3,764,043	0	(3,764,043)
2303. Deposits.....	0	45,002	45,002
2398. Summary of remaining write-ins for Line 23 from overflow page	4,750,394	5,728,867	978,473
2399. Totals (Lines 2301 through 2303 plus 2398)(Line 23 above)	8,514,437	6,342,869	(2,171,568)

EXHIBIT 1 - ENROLLMENT BY PRODUCT TYPE FOR HEALTH BUSINESS ONLY

Source of Enrollment	Total Members at End of					6 Current Year Member Months
	1 Prior Year	2 First Quarter	3 Second Quarter	4 Third Quarter	5 Current Year	
1. Health Maintenance Organizations.....	108,034	108,586	107,579	141,976	142,619	1,447,116
2. Provider Service Organizations.....	.0					
3. Preferred Provider Organizations.....	.0					
4. Point of Service.....	.0					
5. Indemnity Only.....	.0					
6. Aggregate write-ins for other lines of business	0	0	0	0	0	0
7. Total	108,034	108,586	107,579	141,976	142,619	1,447,116
DETAILS OF WRITE-INS						
0601.						
0602.						
0603.						
0698. Summary of remaining write-ins for Line 6 from overflow page .....	.0	.0	.0	.0	.0	.0
0699. Totals (Lines 0601 through 0603 plus 0698) (Line 6 above)	0	0	0	0	0	0

NOTES TO FINANCIAL STATEMENTS

(1) Significant Accounting Policies

A. Accounting Practices – The financial statements of Great Lakes Health Plan, Inc. (GLHP or the “Company”) have been prepared in conformity with the accounting practices prescribed or permitted by the Office of Financial and Insurance Services of the State of Michigan Department (OFIS).

OFIS recognizes only statutory accounting practices prescribed or permitted by the State of Michigan for determining and reporting the financial condition and results of operations of a Health Maintenance Organization, for determining solvency under the Michigan Insurance Code. The National Association of Insurance Commissioner’s (NAIC) Accounting Practices and Procedures Manual (NAIC SAP) has been adopted as a component of prescribed or permitted practices by the state of Michigan. For 2006 the state has adopted a prescribed accounting practice to not admit all loans or advances to hospitals and providers. In NAIC SAP, loans or advances to hospitals and providers are admitted up to the amount of the payable to the provider for reported claims to the extent that they meet setoff conditions.

A reconciliation of the Company’s net income and capital and surplus between NAIC SAP and practices prescribed and permitted by the State of Michigan is shown below:

	December 31, 2006	December 31, 2005
Net Income, Michigan state basis	\$ 1,391,290	\$5,777,080
State Prescribed or Permitted Practices (Income):	-	-
Net Income, NAIC SAP	<u>\$1,391,290</u>	<u>\$5,777,080</u>
Statutory Surplus, Michigan State basis	\$35,375,558	\$32,198,124
State Prescribed or Permitted Practices (Surplus):		
Advances to Provider	91,000	-
Furniture and Equipment Transitional admission	-	<u>(141,413)</u>
Statutory Surplus, NAIC SAP	<u>\$ 35,466,558</u>	<u>\$32,056,711</u>

B. Use of Estimates in the Preparation of the Financial Statements – The preparation of financial statements in conformity with Statutory Accounting Principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities. It also requires disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates.

C. Accounting Policy

Cash and Cash Equivalents—For the purpose of the statements of cash flows, cash equivalents represent other short-term investments with original maturities of less than three months.

Property and Equipment—Property and equipment are stated at cost less accumulated depreciation. Depreciation is computed using the straight-line method based on the estimated lives of the assets and includes amortization of equipment under capital leases. The estimated useful lives of the assets range from three to ten years for computer equipment and furniture.

Claims Unpaid—Health care costs are accrued in the period services are provided to the enrolled members based in part on estimates, including an accrual for medical services provided but not yet reported. Such estimates are based on historical payment patterns using actuarial techniques and are regularly reviewed and updated. Differences in estimates resulting there from are reflected in current operations.

Premiums—Qualified health plan contracts are entered annually, subject to cancellation by the State of Michigan, Department of Community Health, or the Company upon 90 days written notice on the basis of, and subject to, cause as reflected in the respective contracts. Premiums are due monthly and are recognized as revenue during the period in which the Company is obligated to provide benefits to members.

Statutory Reserves—As a condition of licensure with the State of Michigan, the Company is required to maintain a minimum deposit of \$1,000,000 in a segregated account. These funds can only be used by the Company at the direction of the Commissioner. The deposited amounts are stated at fair value and consist of cash and money market funds.

Provider Reimbursement Arrangements—The Company reimburses its providers based on contractual agreements that vary in accordance with the terms and conditions of each arrangement. The three most common arrangements are: capitated (fixed) rate paid on a per member per month (“PMPM”) basis; fee-for-service; and per-diem rate. The Company’s various providers are generally paid as follows:

- a. Capitated rate:
 - Primary care providers
 - Pharmacy
 - Laboratory fees

NOTES TO FINANCIAL STATEMENTS

- Transportation
- b. Fee-for-service:
- All physician specialists
 - Primary care providers
 - Other medical disciplines (e.g., dentistry, chiropractor)
 - Ancillary services
- c. Per-diem rate and percent of charges:
- Inpatient hospital and emergency (facility)

(2) Accounting Changes and Corrections of Errors

There were no material changes in accounting principles or correction of errors during 2006 or 2005.

(3) Business Combinations and Goodwill

A.-B.

On June 1, 1999, the Company purchased for \$2,880,900 (consisting of cash, short-term debt totaling \$746,000 and long-term debt totaling \$659,900) the assets of the Thumb Area Health Plan (“TAHP”), increasing its Medicaid members by 10,335. In connection with the purchase, the Company recorded a covenant not to compete of \$450,000 and goodwill of \$2,430,900.

On February 26, 2004, AmeriChoice Corporation purchased all of the outstanding stock of the Company from HealthCor, Inc. for approximately \$28 million. AmeriChoice is a subsidiary of UnitedHealth Group Incorporated.

On May 1, 2006, the Company entered into an asset purchase agreement with Physicians Health Plan of Southwest Michigan on May 1, 2006. As a result of the agreement, the Company recorded an intangible asset of \$4,000,000 to be amortized over five years. The intangible asset is not admitted. The Company assumed approximately 28,000 Medicaid members who were transferred to the plan on September 1, 2006.

C. The Company did not enter into any assumption reinsurance agreements during 2006 or 2005.

D. The Company did not recognize an impairment loss relating to a business combination during 2006 or 2005.

(4) Discontinued Operations

The Company did not discontinue any operations during 2006 or 2005.

(5) Investments

A. The Company had no investments in mortgage loans in 2006 or 2005.

B. The Company had no restructured debt in 2006 or 2005.

C. The Company had no reverse mortgages in 2006 or 2005.

D. Loan-Backed Securities

i. The Company does not own any securities acquired prior to January 1, 1994.

ii. Prepayment assumptions for loan-backed securities were provided by unaffiliated vendors.

iii. The Company has not changed its amortization methodology during 2006 or 2005.

E. The Company has no repurchase agreements in 2006 or 2005.

F. The Company does not own any real estate.

G. The Company had no investments in low-income housing tax credits in 2006 or 2005.

(6) Joint Ventures, Partnerships and Limited Liability Companies

A. The Company has no investments in Joint Ventures, Partnerships or Limited Liability Companies that exceed 10% of its admitted assets.

B. The Company did not recognize any impairment write down for investments in Joint Ventures, Partnerships, or Limited Liability Companies during the statement periods.

(7) Investment Income

The Company applied the provisions of SSAP No. 34, Investment Income Due and Accrued and did not exclude (nonadmit) any due and accrued investment income at December 31, 2006 or 2005.

(8) Derivative Investments

The Company did not hold or issue any derivative financial instruments during 2006 or 2005.

(9) Income Taxes

A. The components of the net deferred tax asset (liability) recognized at December 31, 2006 and December 31, 2005, respectively are as follows:

	December 31, 2006	December 31, 2005
Total of gross deferred tax assets	\$ 2,207,993	\$ 3,027,534
Total of deferred tax liabilities	17,566	
Total deferred tax assets	2,190,427	3,027,534
Deferred tax assets non admitted	(1,730,309)	(2,620,538)
Net admitted deferred tax asset (liability)	\$ 460,118	\$ 404,996

B. There are no unrecognized deferred tax liabilities for amounts described in SSAP No. 10, paragraph 6(d) (and as described in SFAS 109, paragraph 31).

C. The provision for income taxes on earnings for the years ended December 31, 2006 and 2005 are:

	December 31, 2006	December 31, 2005
Current year federal tax expense	\$1,014,157	\$2,489,394
Federal tax on net capital gains		
Current year federal taxes incurred	\$1,014,157	\$2,489,394

NOTES TO FINANCIAL STATEMENTS

The tax effects of temporary differences that give rise to significant portions of the deferred tax assets and liabilities are as follows:

	December 31, 2006	December 31, 2005
Depreciation	\$67,568	\$ 97,691
Loss reserve discounting	134,033	172,334
Other	121,382	136,971
Purchase accounting and amortization	1,867,444	2,620,538
	<u>\$2,190,427</u>	<u>\$ 3,027,534</u>

The change in net deferred income taxes is composed of the following (this analysis is exclusive of nonadmitted assets as the Change in Nonadmitted Assets is reported separately from the Change in Net Deferred Income Tax Assets in the surplus section of the Annual Statement):

	2006	2005	Change
Total gross deferred tax assets	\$2,207,993	\$ 3,027,534	\$819,541
Total deferred tax liability	17,566	0	17,566
Net deferred tax asset (liability)	2,190,427	3,027,534	\$837,107
Tax effect of unrealized gains (losses)			0
Transfer from parent			0
Change in net deferred income taxes			\$837,107

D. The provision for federal income taxes is different from that which would be obtained by applying the statutory federal income tax rate to income before income taxes. The significant items causing this difference were:

	2006	Effective tax rate
Provision computed at statutory rate	\$ 848,052	35.3%
Nondeductible amortization	406,060	16.9%
Change in State Deferreds	532,278	22.1%
Other	64,873	2.7%
Total	1,851,264	77.0%
Federal income taxes incurred	1,014,157	42.2%
Change in net deferred income taxes	837,107	34.8%
Total statutory income taxes	\$1,851,264	77.0%

C. (1) December 31, 2006 the Company had no operating loss carry forwards.

(2) The following are income taxes incurred in the current and prior years that will be available for recoupment in the event of future net losses:

2006	\$1,851,264
2005	\$2,920,652

F. (1) The companies included with this Company in a federal income tax return filing comprise the Company’s ultimate parent UnitedHealth Group Incorporated and its subsidiaries.

(2) The method of allocation between the companies is subject to a written tax sharing agreement. Under this agreement, the amount of federal income taxes that are paid to or received from United Health Group Incorporated, via an affiliate, AmeriChoice Health Services, Inc. (“ACHS”), approximate the amount that would have been computed on a separate company basis. Such payments are made or received on a quarterly basis, at the time of filing of an extension and upon filing of the final return. To the extent the Company’s net operating loss or tax credit is utilized on the consolidated tax return, the Company is entitled to receive the amount of tax savings the consolidated group realizes in that year. Any portion of such loss not so utilized by the Company is available for future use. The Company paid \$1,719,000 in 2006 related to this agreement.

(10) Information Concerning Parent, Subsidiaries and Affiliates

A. – C.

The Company is a wholly owned subsidiary of AmeriChoice Corporation. AmeriChoice Corporation is a majority owned subsidiary of United Health Group Inc. The Company has no subsidiaries.

Effective September 31, 2002, AmeriChoice was acquired by UHG. UHG issued 5.3 million shares of their common stock with a fair value of approximately \$480 million in exchange for 93.5% of the outstanding AmeriChoice common stock. UHG also issued vested stock options with a fair value of approximately \$15 million in exchange for outstanding options held by AmeriChoice employees and paid cash of approximately \$82 million. UHG will acquire the remaining minority interest after five years at a value based on a multiple of the earnings of the combined Medicaid business. UHG has the option to acquire the minority interest at an earlier date if specific events occur, such as the termination or resignation of key AmeriChoice employees.

Schedule Y Part 2 summarizes the net flow of funds among affiliates for various types of transactions between affiliates. Regulatory prior approval and/or prior notification have been satisfied for any transaction requiring such action. Most

NOTES TO FINANCIAL STATEMENTS

transactions are settled promptly in cash or its equivalent, and most are to settle normal business receipts and disbursements. In all instances, the value of the assets received by one party is the same as the value of the assets disposed of by the other party.

The Company received a \$4,000,000 capital contribution from its parent in September 2006 for the purchase of Physicians Health Plan of Southwest Michigan assets (See Note 3).

- D.** At December 31, 2006 and December 31, 2005, the Company reported \$0 and \$0, as net admitted amounts due from related parties on line 21 of the Asset page and \$3,243,037 and \$36,629 as amounts due to related parties on line 15 of the Liabilities page respectively.
- E.** There were no guarantees or undertakings for the benefit of an affiliate that resulted in a material contingent exposure for the Company or any affiliated insurer's assets or liabilities.
- F.** Significant management or service contracts and cost sharing arrangements, involving the Company or any affiliate, other than cost allocation arrangements based upon generally accepted accounting principles:

The Company's affiliate, United HealthCare Services, Inc. provides the Company with management assistance services. In all instances, the fees/costs of such services are reasonable and consistent with those of a third party provider. For 2006 and 2005, the costs related to management assistance services were \$31,383,177 and \$28,405,633, respectively.

- G.** The Company does not have any relationships whereby the Company and one or more other enterprises are under common ownership or control and the existence of that control could result in operating results or financial positions of the Company being significantly different from those that would have been obtained if the enterprises were autonomous.
- H.** The Company does not have any ownership in an upstream intermediate entity or ultimate parent, either directly or indirectly, via a downstream subsidiary, controlled, or affiliated entity.
- I.** No investment in an SCA entity exceeded 10% of the admitted assets of the Company.
- J.** The Company did not recognize any impairment write down for its investments in SCA's during 2006 or 2005.
- K.** The Company does not have any investments in foreign insurance subsidiaries.

(11) Debt

The Company did not have any outstanding debt at December 31, 2006 or 2005.

(12) Retirement Plans, Deferred Compensation, Post-employment Benefits and Compensated Absences and Other Postretirement Benefit Plans

- A.** The Company did not offer defined benefit plans as of December 31, 2006 or 2005.
- B.** The Company did not offer defined contribution plans as of December 31, 2006 or 2005.
- C.** The Company did not offer multiemployer plans as of December 31, 2006 or 2005.
- D.** The Company did not offer consolidated holding company plans as of December 31, 2006 or 2005.
- E.** The Company did not offer postemployment benefits and compensated absences as of December 31, 2006 or 2005.

(13) Capital and Surplus, Shareholders' Dividend Restrictions and Quasi-Reorganizations

- (1) No change.
- (2) The Company has no preferred stock outstanding.
- (3) Without prior approval of its domiciliary commissioner, dividends to shareholders may be paid only from statutory earnings and capital and surplus. "Extraordinary" dividends to shareholders must be approved by OFIS.
- (4) Within the limitation of (3) above, there are no restrictions placed on the portion of Company earnings that may be paid as ordinary dividends to shareholders.
- (5) There were no restrictions placed on the Company's surplus, including for whom the surplus is being held.
- (6) Not applicable.
- (7) There were no amounts of stock held by the Company for special purposes.
- (8) There were no special surplus funds.
- (9) The portion of unassigned funds (surplus) represented or (reduced) by cumulative unrealized gains and losses were \$0 and \$0 at December 31, 2006 and 2005, respectively.
- (10) The Company did not have any surplus debentures or similar obligations issued or outstanding as of December 31, 2006 or 2005. \$506,000 in interest expense was paid during 2005 in conjunction with the \$14,000,000 Surplus note that was paid back to AmeriChoice Corporation in January 2005.
- (11) The Company has not had any restatements due to prior quasi reorganizations.
- (12) The Company has not had any quasi-reorganization in the prior 10 years.

(14) Contingencies

- A.** The Company does not have any commitments or contingent commitments to a SCA entity, joint venture, partnership, or other limited liability company as of December 31, 2006 or 2005.
- B.** The Company has not been informed of, and does not anticipate, any assessments that could have a material financial effect on the statement as of December 31, 2006 or 2005.
- C.** No gain contingencies as defined in SSAP No. 3, Liabilities, Contingencies and Impairments of Assets, have been recognized during 2006 or 2005.
- D.** Aside from litigation with respect to claims arising with regard to insurance coverages that are taken into account in establishing benefit reserves, the Company is a defendant or co-defendant in certain other actions. Although the outcomes of any such legal actions cannot be predicted with certainty, in the opinion of management the resolution of these actions, after consideration of the provisions made in the accompanying financial statements, will not have a material adverse effect upon the financial position or results of operations of the Company.

(15) Leases

No change.

(16) Information About Financial Instruments With Off-Balance Sheet Risk and Financial Instruments With Concentrations of Credit Risk

The Company does not have any financial instruments with off-balance sheet risk or concentration of credit risk.

(17) Sale, Transfer and Servicing of Financial Assets and Extinguishments of Liabilities

- A.** The Company did not have any transfers of receivables reported as sales as of December 31, 2006 or 2005.

NOTES TO FINANCIAL STATEMENTS

B. The Company did not have any transfer and servicing of financial assets as of December 31, 2006 or 2005.

C. No transactions involving wash sales or securities with a NAIC designation of 3 or below or unrated securities occurred during the year ended December 31, 2006 or 2005.

(18) Gain or Loss to the Reporting Entity from Uninsured A&H Plans and the Uninsured Portion of Partially Insured Plans

A. ASO Plans

The Company was not involved in any Administrative Services Only (ASO) uninsured plans during 2006.

B. ASC Plans

The Company was not involved in any Administrative Services Contract (ASC) uninsured plans during 2006.

C. Medicare or Other Similarly Structured Cost Based Reimbursement Contracts

The Company was not involved in any Medicare or other similarly structured cost based reimbursement contracts during 2006.

(19) Direct Premium Written/Produced by Managing General Agents/Third Party Administrators

The Company had no direct premiums written through managing general agents or third party administrators during 2006 or 2005

(20) September 11 Events

Not Applicable

(21) Other Items

A. Extraordinary Items – The Company did not have any extraordinary items or transactions during 2006 or 2005.

B. Troubled Debt Restructuring – The Company did not have any restructured troubled debt during 2006 or 2005.

C. Other Disclosures – The Company did not have any unusual items during 2006 or 2005.

D. Uncollectible Premiums – At December 31, 2006 the Company had admitted assets of \$0 in accounts receivable for A&H premiums and uninsured plans.

E. Business Interruption Insurance Recoveries – The Company did not have any recoveries to report as of December 31, 2006 or 2005.

F. Hybrid Securities – The Company had no investments in hybrid securities in 2006 or 2005.

G. State Transferable Tax Credits – The Company had no state transferable tax credits at December 31, 2006 or 2005.

H. Impact of Medicare Modernization Act on Postretirement Benefits (INT 04-17) – The Company did not offer postretirement benefits as of December 31, 2006 or 2005.

(22) Events Subsequent

Management is not aware of any events occurring between the balance sheet date and the date this statement was attested to that would comprise a Type I or Type II subsequent event or have a material effect on the financial condition of the Company.

(23) Reinsurance

A. Ceded Reinsurance Report

Section I – General Interrogatories

1. Are any of the reinsurers, listed in Schedule S as non-affiliated, owned in excess of 10% or controlled, either directly or indirectly, by the Company or by any representative, officer, trustee, or director of the Company? Yes () No (X)

2. Have any policies issued by the Company been reinsured with a company chartered in a country other than the United States (excluding U.S. Branches of such companies) that is owned in excess of 10% or controlled directly or indirectly by an insured, a beneficiary, a creditor or an insured or any other persons not primarily engaged in the insurance business? Yes () No (X)

Section 2 – Ceded Reinsurance Report – Part A

1. Does the Company have any reinsurance agreements in effect under which the reinsurer may unilaterally cancel any reinsurance for reasons other than for nonpayment of premium or other similar credits? Yes () No (X)

2. Does the Company have any reinsurance agreements in effect such that the amount of losses paid or accrued through the statement date may result in a payment to the reinsurer of amounts which, in aggregate and allowing for offset of mutual credits from other reinsurance agreements with the same reinsurer, exceed the total direct premium collected under the reinsured policies? Yes () No (X)

Section 3 – Ceded Reinsurance Report – Part B

1. What is the estimated amount of the aggregate reduction in surplus, (for agreements other than those under which the reinsurer may unilaterally cancel for reasons other than for non-payment of premiums or other similar credits that are reflected in Section 2 above) of termination of all reinsurance agreements, by either party, as of the date of this statement? Where necessary, the Company may consider the current or anticipated experience of the business reinsured in making this estimate \$0

2. Have any agreements been executed or existing agreements amended, since January 1 of the year of this statement, to include policies or contracts which were in-force or which had existing reserves established by the Company as of the effective date of the agreement? Yes () No (X)

(24) Retrospectively Rated Contracts & Contracts Subject to Redetermination

A. & B. The Company does not issue retrospective rated contracts

(25) Change in Incurred Claims and Claim Adjustment Expense

Reserves for incurred losses and loss adjustment expenses attributable to insured events of prior years has decreased by \$3.8 million from December 31, 2005 to December 31, 2006 as a result of reestimation of unpaid claims and claim adjustment expense. This decrease is generally the result of ongoing analysis of recent loss reserve trends. Original estimates are adjusted as additional information becomes known regarding individual claims

(26) Inter-company Pooling Arrangements

The Company was not a party to any intercompany pooling arrangements whereby the pool participants cede substantially all of their direct and assumed business to the pool and therefore will not affect the solvency and integrity of the insurer's reserves.

(27) Structured Settlements

The Company has not participated in structured settlements in 2006 or 2005.

NOTES TO FINANCIAL STATEMENTS

- (28) **Health Care Receivables**
 - A. Pharmaceutical Rebate Receivables – Not applicable
 - B. Risk Sharing Receivables – Not applicable
- (29) **Participating Policies**

The Company does not issue any participating policies
- (30) **Premium Deficiency Reserves**

As of December 31, 2006 and 2005, the Company had liabilities of \$0 and \$0 related to premium deficiency reserves.
- (31) **Anticipated Salvage and Subrogation**

The Company does not anticipate salvage and subrogation recoverables.

SUMMARY INVESTMENT SCHEDULE

Investment Categories	Gross Investment Holdings		Admitted Assets as Reported in the Annual Statement	
	1 Amount	2 Percentage	3 Amount	4 Percentage
1. Bonds:				
1.1 U.S. treasury securities	1,021,327	1.496	1,021,327	1.496
1.2 U.S. government agency obligations (excluding mortgage-backed securities):				
1.21 Issued by U.S. government agencies		0.000		0.000
1.22 Issued by U.S. government sponsored agencies		0.000		0.000
1.3 Foreign government (including Canada, excluding mortgaged-backed securities)		0.000		0.000
1.4 Securities issued by states, territories, and possessions and political subdivisions in the U.S.:				
1.41 States, territories and possessions general obligations		0.000		0.000
1.42 Political subdivisions of states, territories and possessions and political subdivisions general obligations		0.000		0.000
1.43 Revenue and assessment obligations		0.000		0.000
1.44 Industrial development and similar obligations		0.000		0.000
1.5 Mortgage-backed securities (includes residential and commercial MBS):				
1.51 Pass-through securities:				
1.511 Issued or guaranteed by GNMA		0.000		0.000
1.512 Issued or guaranteed by FNMA and FHLMC		0.000		0.000
1.513 All other		0.000		0.000
1.52 CMOs and REMICs:				
1.521 Issued or guaranteed by GNMA, FNMA, FHLMC or VA		0.000		0.000
1.522 Issued by non-U.S. Government issuers and collateralized by mortgage-backed securities issued or guaranteed by agencies shown in Line 1.521		0.000		0.000
1.523 All other		0.000		0.000
2. Other debt and other fixed income securities (excluding short-term):				
2.1 Unaffiliated domestic securities (includes credit tenant loans rated by the SVO)		0.000		0.000
2.2 Unaffiliated foreign securities		0.000		0.000
2.3 Affiliated securities		0.000		0.000
3. Equity interests:				
3.1 Investments in mutual funds		0.000		0.000
3.2 Preferred stocks:				
3.21 Affiliated		0.000		0.000
3.22 Unaffiliated		0.000		0.000
3.3 Publicly traded equity securities (excluding preferred stocks):				
3.31 Affiliated		0.000		0.000
3.32 Unaffiliated		0.000		0.000
3.4 Other equity securities:				
3.41 Affiliated		0.000		0.000
3.42 Unaffiliated		0.000		0.000
3.5 Other equity interests including tangible personal property under lease:				
3.51 Affiliated		0.000		0.000
3.52 Unaffiliated		0.000		0.000
4. Mortgage loans:				
4.1 Construction and land development		0.000		0.000
4.2 Agricultural		0.000		0.000
4.3 Single family residential properties		0.000		0.000
4.4 Multifamily residential properties		0.000		0.000
4.5 Commercial loans		0.000		0.000
4.6 Mezzanine real estate loans		0.000		0.000
5. Real estate investments:				
5.1 Property occupied by the company		0.000	0	0.000
5.2 Property held for the production of income (including \$of property acquired in satisfaction of debt)		0.000	0	0.000
5.3 Property held for sale (including \$ property acquired in satisfaction of debt)		0.000	0	0.000
6. Contract loans		0.000	0	0.000
7. Receivables for securities		0.000	0	0.000
8. Cash, cash equivalents and short-term investments	67,256,772	98.504	67,256,772	98.504
9. Other invested assets		0.000		0.000
10. Total invested assets	68,278,099	100.000	68,278,099	100.000

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

GENERAL

- 1.1

Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer?

Yes [X] No []
- 1.2

If yes, did the reporting entity register and file with its domiciliary State Insurance Commissioner, Director or Superintendent, or with such regulatory official of the state of domicile of the principal insurer in the Holding Company System, a registration statement providing disclosure substantially similar to the standards adopted by the National Association of Insurance Commissioners (NAIC) in its Model Insurance Holding Company System Regulatory Act and model regulations pertaining thereto, or is the reporting entity subject to standards and disclosure requirements substantially similar to those required by such Act and regulations?

Yes [X] No [] NA []
- 1.3

State Regulating?

State of Michigan
- 2.1

Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity?

Yes [] No [X]
- 2.2

If yes, date of change:
- 3.1

State as of what date the latest financial examination of the reporting entity was made or is being made.

12/31/2004
- 3.2

State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released.

12/31/2004
- 3.3

State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date).

06/07/2006
- 3.4

By what department or departments? Michigan Office of Financial And Insurance Services
- 4.1

During the period covered by this statement, did any agent, broker, sales representative, non-affiliated sales/service organization or any combination thereof under common control (other than salaried employees of the reporting entity), receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
- 4.11

sales of new business?

Yes [] No [X]
- 4.12

renewals?

Yes [] No [X]
- 4.2

During the period covered by this statement, did any sales/service organization owned in whole or in part by the reporting entity or an affiliate, receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
- 4.21

sales of new business?

Yes [] No [X]
- 4.22

renewals?

Yes [] No [X]
- 5.1

Has the reporting entity been a party to a merger or consolidation during the period covered by this statement?

Yes [] No [X]
- 5.2

If yes, provide the name of the entity, NAIC Company Code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

1 Name of Entity	2 NAIC Company Code	3 State of Domicile

- 6.1

Has the reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period?

Yes [] No [X]
- 6.2

If yes, give full information
- 7.1

Does any foreign (non-United States) person or entity directly or indirectly control 10% or more of the reporting entity?

Yes [] No [X]
- 7.2

If yes,
- 7.21

State the percentage of foreign control;
- 7.22

State the nationality(s) of the foreign person(s) or entity(s) or if the entity is a mutual or reciprocal, the nationality of its manager or attorney in fact; and identify the type of entity(s) (e.g., individual, corporation or government, manager or attorney in fact).

1 Nationality	2 Type of Entity

GENERAL INTERROGATORIES

- 8.1

Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board?

Yes [] No [X]
- 8.2

If response to 8.1 is yes, please identify the name of the bank holding company.
- 8.3

Is the company affiliated with one or more banks, thrifts or securities firms?

Yes [X] No []
- 8.4

If response to 8.3 is yes, please provide the names and location (city and state of the main office) of any affiliates regulated by a federal financial regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Office of Thrift Supervision (OTS), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC) and identify the affiliate's primary federal regulator.]

1	2	3	4	5	6	7
Affiliate Name	Location (City, State)	FRB	OCC	OTS	FDIC	SEC
Exante Bank.....	Salt Lake City, Utah.....				Yes.	

9.

What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?

Deloitte and Touche, 1700 Market Street, Philadelphia, PA 19105
10.

What is the name, address and affiliation (officer/employee of the reporting entity or actuary/consultant associated with an actuarial consulting firm) of the individual providing the statement of actuarial opinion/certification?

Jennifer E. Linn, FSA, MAAA, Reden & Anders, Ltd. 12125 Technology Drive, Eden Prairie, MN 55344
- 11.1

Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly?

Yes [] No [X]

11.11

Name of real estate holding company

11.12

Number of parcels involved

11.13

Total book/adjusted carrying value

\$
- 11.2

If yes, provide explanation
12.

FOR UNITED STATES BRANCHES OF ALIEN REPORTING ENTITIES ONLY:
- 12.1

What changes have been made during the year in the United States Manager or the United States Trustees of the reporting entity?
- 12.2

Does this statement contain all business transacted for the reporting entity through its United States Branch on risks wherever located?

Yes [] No []
- 12.3

Have there been any changes made to any of the trust indentures during the year?

Yes [] No []
- 12.4

If answer to (12.3) is yes, has the domiciliary or entry state approved the changes?

Yes [] No [] NA []

BOARD OF DIRECTORS

13.

Is the purchase or sale of all investments of the reporting entity passed upon either by the board of directors or a subordinate committee thereof?

Yes [X] No []
14.

Does the reporting entity keep a complete permanent record of the proceedings of its board of directors and all subordinate committees thereof?

Yes [X] No []
15.

Has the reporting entity an established procedure for disclosure to its board of directors or trustees of any material interest or affiliation on the part of any of its officers, directors, trustees or responsible employees that is in conflict or likely to conflict with the official duties of such person?

Yes [X] No []

FINANCIAL

- 16.1

Total amount loaned during the year (inclusive of Separate Accounts, exclusive of policy loans):

16.11

To directors or other officers

\$

16.12

To stockholders not officers

\$

16.13

Trustees, supreme or grand (Fraternal only)

\$
- 16.2

Total amount of loans outstanding at end of year (inclusive of Separate Accounts, exclusive of policy loans):

16.21

To directors or other officers

\$

16.22

To stockholders not officers

\$

16.23

Trustees, supreme or grand (Fraternal only)

\$
- 17.1

Were any of the assets reported in this statement subject to a contractual obligation to transfer to another party without the liability for such obligation being reported in this statement?

Yes [] No [X]
- 17.2

If yes, state the amount thereof at December 31 of the current year:

17.21

Rented from others

\$

17.22

Borrowed from others

\$

17.23

Leased from others

\$

17.24

Other

\$
- 18.1

Does this statement include payments for assessments as described in the *Annual Statement Instructions* other than guaranty fund or guaranty association assessments?

Yes [] No [X]
- 18.2

If answer is yes,

18.21

Amount paid as losses or risk adjustment

\$

18.22

Amount paid as expenses

\$

18.23

Other amounts paid

\$
- 19.1

Does the reporting entity report any amounts due from the parent, subsidiaries or affiliates on Page 2 of this statement?

Yes [] No [X]
- 19.2

If yes, indicated any amounts receivable from parent included in the Page 2 amount:

\$

GENERAL INTERROGATORIES
INVESTMENT

20.1 Were all the stocks, bonds and other securities owned December 31 of current year, over which the reporting entity has exclusive control, in the actual possession of the reporting entity on said date, except as shown by Schedule E - Part 3 - Special Deposits? Yes [X] No []

20.2 If no, give full and complete information relating thereto:

21.1 Were any of the stocks, bonds or other assets of the reporting entity owned at December 31 of the current year not exclusively under the control of the reporting entity, except as shown on the Schedule E - Part 3 - Special Deposits, or has the reporting entity sold or transferred any assets subject to a put option contract that is currently in force? (Exclude securities subject to Interrogatory 17.1) Yes [] No [X]

21.2 If yes, state the amount thereof at December 31 of the current year:

21.21

Loaned to others

\$.....

21.22

Subject to repurchase agreements

\$.....

21.23

Subject to reverse repurchase agreements

\$.....

21.24

Subject to dollar repurchase agreements

\$.....

21.25

Subject to reverse dollar repurchase agreements

\$.....

21.26

Pledged as collateral

\$.....

21.27

Placed under option agreements

\$.....

21.28

Letter stock or other securities restricted as to sale ...

\$.....

21.29

Other

\$.....

21.3 For category (21.28) provide the following:

1 Nature of Restriction	2 Description	3 Amount
.....
.....
.....
.....

22.1 Does the reporting entity have any hedging transactions reported on Schedule DB? Yes [] No [X]

22.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state? Yes [] No [] NA []
If no, attach a description with this statement.

23.1 Were any preferred stocks or bonds owned as of December 31 of the current year mandatorily convertible into equity, or, at the option of the issuer, convertible into equity? Yes [] No [X]

23.2 If yes, state the amount thereof at December 31 of the current year. \$.....

GENERAL INTERROGATORIES

24. Excluding items in Schedule E, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Part 1 – General, Section IV.H-Custodial or Safekeeping Agreements of the NAIC Financial Condition Examiners Handbook? Yes [X] No []

24.01 For agreements that comply with the requirements of the NAIC Financial Condition Examiners Handbook, complete the following:

<div>1</div> <div>Name of Custodian(s)</div>	<div>2</div> <div>Custodian's Address</div>
State Street Bank.....	801 Pennsylvania, Kansas City, MO 64105.....

24.02 For all agreements that do not comply with the requirements of the NAIC Financial Condition Examiners Handbook, provide the name, location and a complete explanation:

<div>1</div> <div>Name(s)</div>	<div>2</div> <div>Location(s)</div>	<div>2</div> <div>Complete Explanation(s)</div>
.....
.....

24.03 Have there been any changes, including name changes, in the custodian(s) identified in 24.01 during the current year? Yes [] No [X]

24.04 If yes, give full and complete information relating thereto:

<div>1</div> <div>Old Custodian</div>	<div>2</div> <div>New Custodian</div>	<div>3</div> <div>Date of Change</div>	<div>4</div> <div>Reason</div>
.....

24.05 Identify all investment advisors, brokers/dealers or individuals acting on behalf of broker/dealers that have access to the investment accounts, handle securities and have authority to make investments on behalf of the reporting entity:

<div>1</div> <div>Central Registration Depository Number(s)</div>	<div>2</div> <div>Name</div>	<div>2</div> <div>Address</div>
7144.....	Wellington Management	75 State Street, Boston, Mass. 02109.....

25.1 Does the reporting entity have any diversified mutual funds reported in Schedule D, Part 2 (diversified according to the Securities and Exchange Commission (SEC) in the Investment Company Act of 1940 [Section 5 (b) (1)])?..... Yes [] No [X]

25.2 If yes, complete the following schedule:

<div>1</div> <div>CUSIP #</div>	<div>2</div> <div>Name of Mutual Fund</div>	<div>3</div> <div>Book/Adjusted Carrying Value</div>
.....
.....
25.2999 TOTAL		0

25.3 For each mutual fund listed in the table above, complete the following schedule:

<div>1</div> <div>Name of Mutual Fund (from above table)</div>	<div>2</div> <div>Name of Significant Holding Of the Mutual Fund</div>	<div>3</div> <div>Amount of Mutual Fund's Book/Adjusted Carrying Value Attributable to the Holding</div>	<div>4</div> <div>Date of Valuation</div>
.....
.....

GENERAL INTERROGATORIES

26. Provide the following information for all short-term and long-term bonds and all preferred stocks. Do not substitute amortized value or statement value for fair value.

	1	2	3
	Statement (Admitted) Value	Fair Value	Excess of Statement over Fair Value (-) or Fair Value over Statement (+)
26.1 Bonds.....	72,734,607	72,743,480	8,873
26.2 Preferred stocks.....	0	0	0
26.3 Totals	72,734,607	72,743,480	8,873

26.4 Describe the sources or methods utilized in determining fair values:

For those securities that had prices in the NAIC SVO ISIS database, those prices were used; for those securities that didn't, GAAP pricing was used. GAAP pricing was obtained from HUB which is an external data sources vendor. HUB data utilizes various pricing sources.....

27.1 Have all the filing requirements of the *Purposes and Procedures Manual* of the NAIC Securities Valuation Office been followed? Yes [X] No []

27.2 If no, list the exceptions:

OTHER

28.1 Amount of payments to trade associations, service organizations and statistical or rating bureaus, if any?.....\$

28.2 List the name of the organization and the amount paid if any such payment represented 25% or more of the total payments to trade associations, service organizations and statistical or rating bureaus during the period covered by this statement.

1	2
Name	Amount Paid
.....
.....

29.1 Amount of payments for legal expenses, if any?.....\$

29.2 List the name of the firm and the amount paid if any such payment represented 25% or more of the total payments for legal expenses during the period covered by this statement.

1	2
Name	Amount Paid
.....
.....

30.1 Amount of payments for expenditures in connection with matters before legislative bodies, officers or departments of government, if any?.....\$

30.2 List the name of the firm and the amount paid if any such payment represented 25% or more of the total payment expenditures in connection with matters before legislative bodies, officers or departments of government during the period covered by this statement.

1	2
Name	Amount Paid
.....
.....

ANNUAL STATEMENT FOR THE YEAR 2006 OF THE Great Lakes Health Plan, Inc.

GENERAL INTERROGATORIES

PART 2 - HEALTH INTERROGATORIES

1.1	Does the reporting entity have any direct Medicare Supplement Insurance in force?		Yes [] No [X]
1.2	If yes, indicate premium earned on U. S. business only	\$	
1.3	What portion of Item (1.2) is not reported on the Medicare Supplement Insurance Experience Exhibit?	\$	
	1.31 Reason for excluding		
1.4	Indicate amount of earned premium attributable to Canadian and/or Other Alien not included in Item (1.2) above.	\$	
1.5	Indicate total incurred claims on all Medicare Supplement insurance.	\$	
1.6	Individual policies:		
	Most current three years:		
	1.61 Total premium earned	\$	0
	1.62 Total incurred claims	\$	0
	1.63 Number of covered lives		0
	All years prior to most current three years:		
	1.64 Total premium earned	\$	0
	1.65 Total incurred claims	\$	0
	1.66 Number of covered lives		0
1.7	Group policies:		
	Most current three years:		
	1.71 Total premium earned	\$	0
	1.72 Total incurred claims	\$	0
	1.73 Number of covered lives		0
	All years prior to most current three years:		
	1.74 Total premium earned	\$	0
	1.75 Total incurred claims	\$	0
	1.76 Number of covered lives		0
2.	Health Test:		
		1 Current Year	2 Prior Year
2.1	Premium Numerator \$	278,748,823	\$250,794,373
2.2	Premium Denominator \$	278,748,824	\$250,794,373
2.3	Premium Ratio (2.1/2.2)	1.000	.....1.000
2.4	Reserve Numerator \$	26,581,927	\$19,120,844
2.5	Reserve Denominator \$	26,581,927	\$19,120,844
2.6	Reserve Ratio (2.4/2.5)	1.000	.....1.000
3.1	Has the reporting entity received any endowment or gift from contracting hospitals, physicians, dentists, or others that is agreed will be returned when, as and if the earnings of the reporting entity permits?		Yes [] No [X]
3.2	If yes, give particulars:		
4.1	Have copies of all agreements stating the period and nature of hospitals', physicians', and dentists' care offered to subscribers and dependents been filed with the appropriate regulatory agency?		Yes [X] No []
4.2	If not previously filed, furnish herewith a copy(ies) of such agreement(s). Do these agreements include additional benefits offered?		Yes [] No []
5.1	Does the reporting entity have stop-loss reinsurance?		Yes [X] No []
5.2	If no, explain:		
5.3	Maximum retained risk (see instructions)		
	5.31 Comprehensive Medical	\$	10,000,000
	5.32 Medical Only	\$	
	5.33 Medicare Supplement	\$	
	5.34 Dental	\$	
	5.35 Other Limited Benefit Plan	\$	
	5.36 Other	\$	
6.	Describe arrangement which the reporting entity may have to protect subscribers and their dependents against the risk of insolvency including hold harmless provisions, conversion privileges with other carriers, agreements with providers to continue rendering services, and any other agreements: Hold harmless provisions and continuation of service in provider agreements		
7.1	Does the reporting entity set up its claim liability for provider services on a service date base?		Yes [X] No []
7.2	If no, give details:		
8.	Provide the following information regarding participating providers:		
	8.1 Number of providers at start of reporting year		4,641
	8.2 Number of providers at end of reporting year		5,408
9.1	Does the reporting entity have business subject to premium rate guarantees?		Yes [] No [X]
9.2	If yes, direct premium earned:		
	9.21 Business with rate guarantees between 15-36 months		
	9.22 Business with rate guarantees over 36 months		

GENERAL INTERROGATORIES

10.1 Does the reporting entity have Incentive Pool, Withhold or Bonus Arrangements in its provider contract?

Yes ☒ No ☐

10.2 If yes:

10.21 Maximum amount payable bonuses

\$.....259,515

10.22 Amount actually paid for year bonuses

\$.....785,977

10.23 Maximum amount payable withholds

\$.....74,000

10.24 Amount actually paid for year withholds

\$.....1,042

11.1 Is the reporting entity organized as:

11.12 A Medical Group/Staff Model,

Yes ☐ No ☒

11.13 An Individual Practice Association (IPA), or,

Yes ☐ No ☒

11.14 A Mixed Model (combination of above) ?

Yes ☐ No ☒

11.2 Is the reporting entity subject to Minimum Net Worth Requirements?

Yes ☒ No ☐

11.3 If yes, show the name of the state requiring such net worth.

Michigan

11.4 If yes, show the amount required.

\$.....17,762,258

11.5 Is this amount included as part of a contingency reserve in stockholder's equity?

Yes ☐ No ☒

11.6 If the amount is calculated, show the calculation.

RBC 200%

12. List service areas in which reporting entity is licensed to operate:

1
Name of Service Area
Berrien County, MI.....
Branch County, MI.....
Calhoun County, MI.....
Cass County, MI.....
Hillsdale County, MI.....
Huron County, MI.....
Jackson County, MI.....
Kalamazoo County, MI.....
Lenawee County, MI.....
Livingston County, MI.....
Maccomb County, MI.....
Oakland County, MI.....
Saginaw County, MI.....
Sanilac County, MI.....
St. Clair County, MI.....
St. Joseph County, MI.....
Tuscola County, MI.....
Van Buren County, MI.....
Wayne County, MI.....

FIVE-YEAR HISTORICAL DATA

	1 2006	2 2005	3 2004	4 2003	5 2002
Balance Sheet (Pages 2 and 3)					
1. Total admitted assets (Page 2, Line 26)	71,333,966	52,420,479	75,438,353	31,194,695	8,445,744
2. Total liabilities (Page 3, Line 22)	35,958,408	20,222,355	35,409,883	25,096,178	20,715,764
3. Statutory surplus	17,762,258	434,635	(5,735,019)	(13,055,722)	(23,117,944)
4. Total capital and surplus (Page 3, Line 31)	35,375,558	32,198,124	40,028,470	6,098,517	(12,270,020)
Income Statement (Page 4)					
5. Total revenues (Line 8)	261,943,980	235,741,232	197,998,066	178,727,686	163,223,524
6. Total medical and hospital expenses (Line 18)	229,458,279	198,361,172	164,434,699	149,754,864	153,637,196
7. Claims adjustment expenses (Line 20)	5,582,735	5,036,990	3,861,152	4,129,000	0
8. Total administrative expenses (Line 21)	27,473,782	25,691,235	21,672,651	14,340,699	16,837,926
9. Net underwriting gain (loss) (Line 24)	(570,815)	6,651,835	8,029,565	10,503,123	(12,160,527)
10. Net investment gain (loss) (Line 27)	2,976,262	1,614,639	554,733	104,827	177,354
11. Total other income (Lines 28 plus 29)	0	0	0	0	0
12. Net income (loss) (Line 32)	1,391,290	5,777,080	6,220,299	10,414,712	(11,834,531)
Risk - Based Capital Analysis					
13. Total adjusted capital.....	35,375,558	32,198,124	40,028,470	6,098,517	(12,270,020)
14. Authorized control level risk-based capital.....	8,881,129	7,661,685	6,171,848	5,543,704	6,129,717
Enrollment (Exhibit 1)					
15. Total members at end of period (Column 5, Line 7)	142,619	108,034	107,564	96,299	92,553
16. Total member months (Column 6, Line 7)	1,447,116	1,296,040	1,205,712	1,153,051	1,068,784
Operating Percentage (Page 4)					
(Item divided by Page 4, sum of Lines 2, 3 and 5) x 100.0					
17. Premiums earned plus risk revenue (Line 2 plus Lines 3 and 5)	100.0	100.0	100.0	100.0	100.0
18. Total hospital and medical plus other non-health (Lines 18 plus 19)	82.3	79.1	0.0	0.0	0.0
19. Cost containment expenses	1.4	1.4	1.2	xxx	xxx
20. Other claims adjustment expenses	0.6	0.6	0.7	0.0	0.0
21. Total underwriting deductions (Line 23)	94.2	91.3	90.3	90.4	107.5
22. Total underwriting gain (loss) (Line 24)	(0.2)	2.7	3.8	5.6	(7.5)
Unpaid Claims Analysis					
(U&I Exhibit, Part 2B)					
23. Total claims incurred for prior years (Line 13, Col. 5)	15,364,980	15,868,742	18,584,500	15,636,768	21,350,165
24. Estimated liability of unpaid claims – [prior year (Line 13, Col. 6)]	19,120,845	20,766,800	20,331,786	18,593,735	16,402,789
Investments In Parent, Subsidiaries And Affiliates					
25. Affiliated bonds (Sch. D Summary, Line 25, Col. 1)	0	0	0	0	0
26. Affiliated preferred stocks (Sch. D Summary, Line 39, Col. 1)	0	0	0	0	0
27. Affiliated common stocks (Sch. D Summary, Line 53, Col. 2)	0	0	0	0	0
28. Affiliated short-term investments (subtotal included in Sch. DA, Part 2, Col. 5, Line 11)	0	0	0	0	0
29. Affiliated mortgage loans on real estate	0	0	0	0	0
30. All other affiliated	0	0	0	0	0
31. Total of above Lines 25 to 30	0	0	0	0	0

SCHEDULE D - SUMMARY BY COUNTRY

Long-Term Bonds and Stocks OWNED December 31 of Current Year					
Description		1 Book/Adjusted Carrying Value	2 Fair Value	3 Actual Cost	4 Par Value of Bonds
BONDS Governments (Including all obligations guaranteed by governments)	1. United States	1,021,327	1,030,200	1,024,844	1,000,000
	2. Canada	0	0	0	0
	3. Other Countries	0	0	0	0
	4. Totals	1,021,327	1,030,200	1,024,844	1,000,000
States, Territories and Possessions (Direct and guaranteed)	5. United States	0	0	0	0
	6. Canada	0	0	0	0
	7. Other Countries	0	0	0	0
	8. Totals	0	0	0	0
Political Subdivisions of States, Territories and Possessions (Direct and guaranteed)	9. United States.....	0	0	0	0
	10. Canada.....	0	0	0	0
	11. Other Countries	0	0	0	0
	12. Totals	0	0	0	0
Special revenue and special assessment obligations and all non-guaranteed obligations of agencies and authorities of governments and their political subdivisions	13. United States	0	0	0	0
	14. Canada	0	0	0	0
	15. Other Countries	0	0	0	0
	16. Totals	0	0	0	0
Public Utilities (unaffiliated)	17. United States	0	0	0	0
	18. Canada	0	0	0	0
	19. Other Countries	0	0	0	0
	20. Totals	0	0	0	0
Industrial and Miscellaneous and Credit Tenant Loans (unaffiliated)	21. United States	0	0	0	0
	22. Canada	0	0	0	0
	23. Other Countries	0	0	0	0
	24. Totals	0	0	0	0
Parent, Subsidiaries and Affiliates	25. Totals	0	0	0	0
	26. Total Bonds	1,021,327	1,030,200	1,024,844	1,000,000
PREFERRED STOCKS Public Utilities (unaffiliated)	27. United States	0	0	0	
	28. Canada	0	0	0	
	29. Other Countries	0	0	0	
	30. Totals	0	0	0	
Banks, Trust and Insurance Companies (unaffiliated)	31. United States	0	0	0	
	32. Canada	0	0	0	
	33. Other Countries	0	0	0	
	34. Totals	0	0	0	
Industrial and Miscellaneous (unaffiliated)	35. United States	0	0	0	
	36. Canada	0	0	0	
	37. Other Countries	0	0	0	
	38. Totals	0	0	0	
Parent, Subsidiaries and Affiliates	39. Totals	0	0	0	
	40. Total Preferred Stocks	0	0	0	
COMMON STOCKS Public Utilities (unaffiliated)	41. United States	0	0	0	
	42. Canada	0	0	0	
	43. Other Countries	0	0	0	
	44. Totals	0	0	0	
Banks, Trust and Insurance Companies (unaffiliated)	45. United States	0	0	0	
	46. Canada	0	0	0	
	47. Other Countries	0	0	0	
	48. Totals	0	0	0	
Industrial and Miscellaneous (unaffiliated)	49. United States	0	0	0	
	50. Canada	0	0	0	
	51. Other Countries	0	0	0	
	52. Totals	0	0	0	
Parent, Subsidiaries and Affiliates	53. Totals	0	0	0	
	54. Total Common Stocks	0	0	0	
	55. Total Stocks	0	0	0	
	56. Total Bonds and Stocks	1,021,327	1,030,200	1,024,844	

SCHEDULE D - VERIFICATION BETWEEN YEARS

Bonds and Stocks

1. Book/adjusted carrying value of bonds and stocks, prior year.....	0	7. Amortization of premium.....	3,516
2. Cost of bonds and stocks acquired, Column 7, Part 3	1,024,844	8. Foreign Exchange Adjustment:	
3. Accrual of discount.....	0	8.1 Column 15, Part 1	0
4. Increase (decrease) by adjustment:.....		8.2 Column 19, Part 2, Sec. 1.....	0
4.1 Columns 12 - 14, Part 1.....	0	8.3 Column 16, Part 2, Sec. 2	0
4.2 Columns 15 - 17, Part 2, Sec. 1.....	0	8.4 Column 15, Part 4	0
4.3 Column 15, Part 2, Sec. 2.....	0		
4.4 Columns 11 - 13, Part 4	0	9. Book/adjusted carrying value at end of current period	1,021,328
5. Total gain (loss), Column 19, Part 4	0	10. Total valuation allowance	
6. Deduct consideration for bonds and stocks disposed of		11. Subtotal (Lines 9 plus 10)	1,021,328
Column 7, Part 4	0	12. Total nonadmitted amounts	
		13. Statement value of bonds and stocks, current period	1,021,328

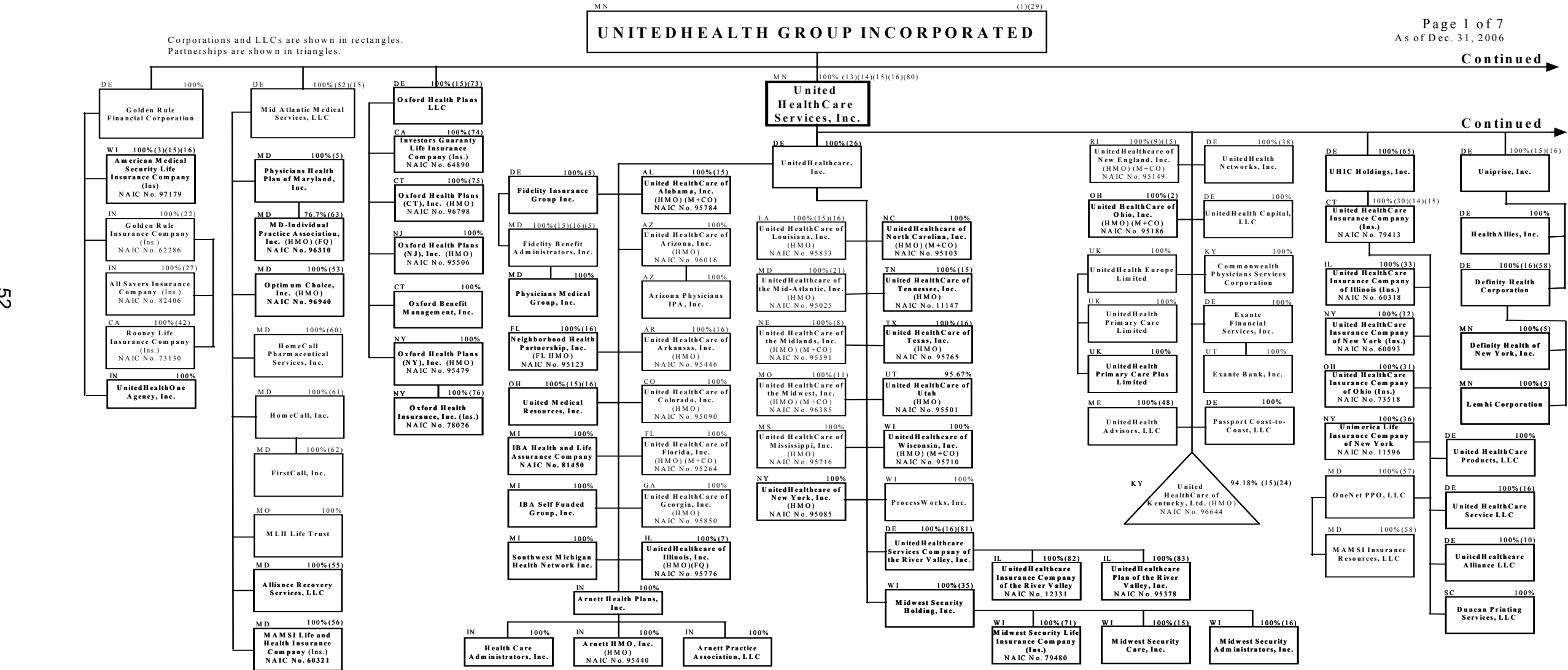
SCHEDULE T PREMIUMS AND OTHER CONSIDERATIONS

Allocated by States and Territories								
State, Etc.	1	2	Direct Business Only					
	Guaranty Fund (Yes or No)	Is Insurer Licensed (Yes or No)	3	4	5	6 Federal Employees Health Benefits Program Premiums	7 Life & Annuity Premiums & Deposit Type Contract Funds	8 Property/ Casualty Premiums
State, Etc.	Guaranty Fund (Yes or No)	Is Insurer Licensed (Yes or No)	Accident & Health Premiums	Medicare Title XVIII	Medicaid Title XIX			
1. Alabama AL								
2. Alaska AK								
3. Arizona AZ								
4. Arkansas AR								
5. California CA								
6. Colorado CO								
7. Connecticut CT								
8. Delaware DE								
9. District of Columbia DC								
10. Florida FL								
11. Georgia GA								
12. Hawaii HI								
13. Idaho ID								
14. Illinois IL								
15. Indiana IN								
16. Iowa IA								
17. Kansas KS								
18. Kentucky KY								
19. Louisiana LA								
20. Maine ME								
21. Maryland MD								
22. Massachusetts MA								
23. Michigan MI	No	Yes			279,689,101			
24. Minnesota MN								
25. Mississippi MS								
26. Missouri MO								
27. Montana MT								
28. Nebraska NE								
29. Nevada NV								
30. New Hampshire NH								
31. New Jersey NJ								
32. New Mexico NM								
33. New York NY								
34. North Carolina NC								
35. North Dakota ND								
36. Ohio OH								
37. Oklahoma OK								
38. Oregon OR								
39. Pennsylvania PA								
40. Rhode Island RI								
41. South Carolina SC								
42. South Dakota SD								
43. Tennessee TN								
44. Texas TX								
45. Utah UT								
46. Vermont VT								
47. Virginia VA								
48. Washington WA								
49. West Virginia WV								
50. Wisconsin WI								
51. Wyoming WY								
52. American Samoa AS								
53. Guam GU								
54. Puerto Rico PR								
55. U.S. Virgin Islands VI								
56. Northern Mariana Islands MP								
57. Canada CN								
58. Aggregate other alien OT	XXX	XXX	0	0	0	0	0	0
59. Subtotal	XXX	XXX	0	0	279,689,101	0	0	0
60. Reporting entity contributions for Employee Benefit Plans	XXX	XXX						
61. Total (Direct Business)	XXX	(a) 1	0	0	279,689,101	0	0	0
DETAILS OF WRITE-INS								
5801.	XXX	XXX						
5802.	XXX	XXX						
5803.	XXX	XXX						
5898. Summary of remaining write-ins for Line 58 from overflow page	XXX	XXX	0	0	0	0	0	0
5899. Totals (Lines 5801 through 5803 plus 5898) (Line 58 above)	XXX	XXX	0	0	0	0	0	0

Explanation of basis of allocation by states, premiums by state, etc.:
(a) Insert the number of yes responses except for Canada and other Alien.

SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER AND HMO MEMBERS OF A HOLDING COMPANY GROUP

PART 1 - ORGANIZATIONAL CHART



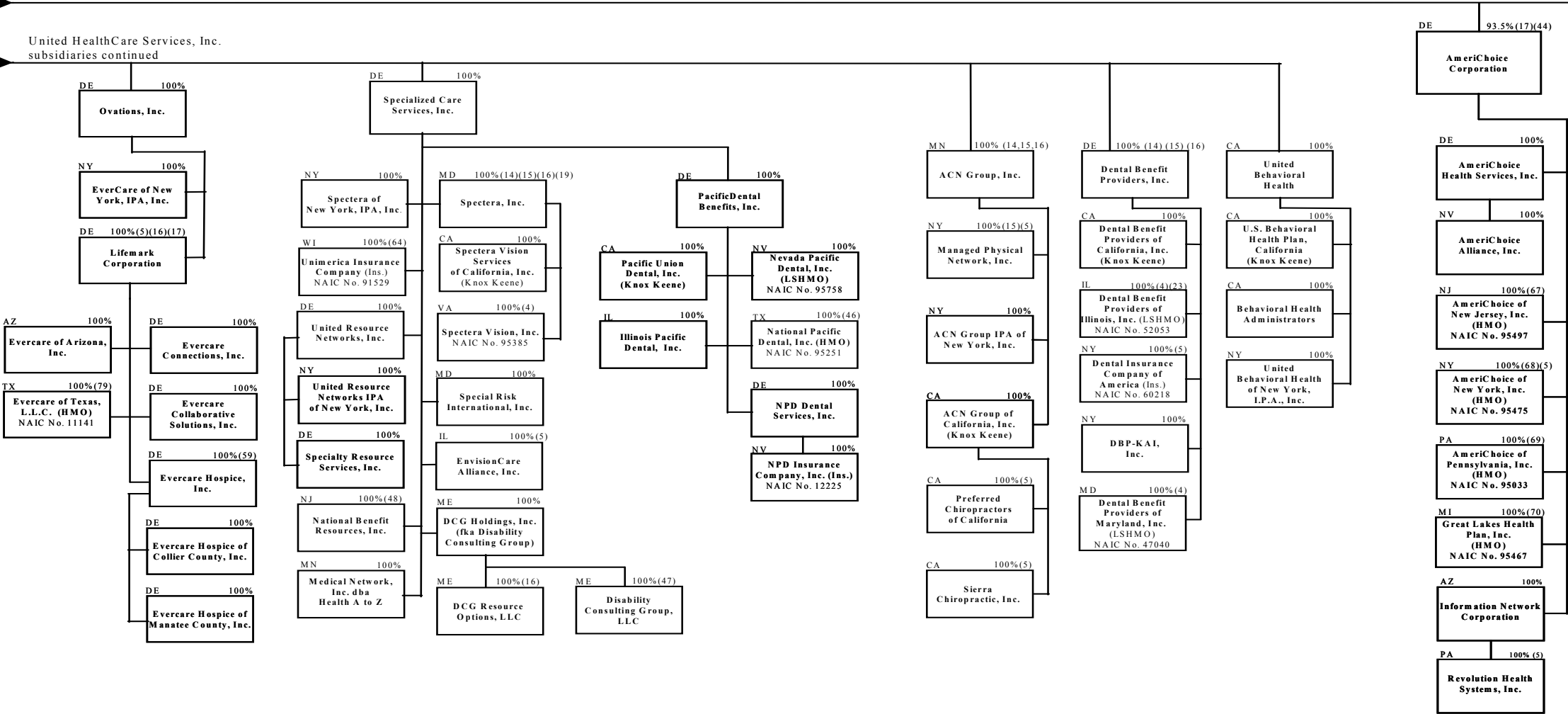
SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER AND HMO MEMBERS OF A HOLDING COMPANY GROUP

PART 1 - ORGANIZATIONAL CHART

UnitedHealth Group Incorporated
subsidiaries continued

Continued

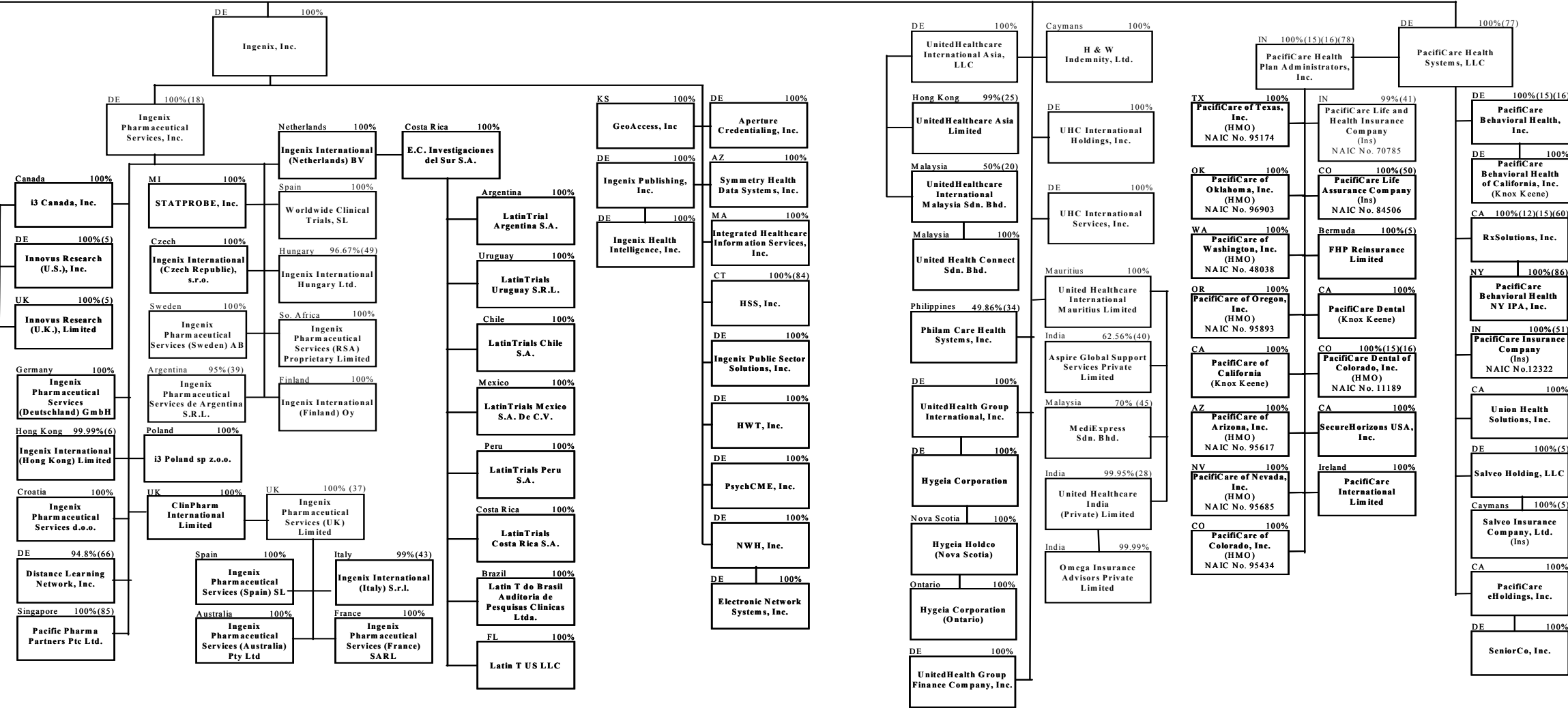
United HealthCare Services, Inc.
subsidiaries continued



SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER AND HMO MEMBERS OF A HOLDING COMPANY GROUP

PART 1 - ORGANIZATIONAL CHART

UnitedHealth Group Incorporated
subsidiaries continued



SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER AND HMO MEMBERS OF A HOLDING COMPANY GROUP

PART 1 - ORGANIZATIONAL CHART

NOTES

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As of December 31, 2006

- (1) **UnitedHealth Group Incorporated** (“UHG”) (d/b/a UnitedHealth Group) is a Minnesota corporation whose shares of common stock are listed on the NYSE (i.e., it is publicly held). Name was changed from United HealthCare Corporation on March 6, 2000. It only does business in MN. It is the ultimate parent company of all the other UnitedHealth Group entities. It is not licensed as anything, i.e., it is not an HMO, insurance company, TPA, PPO, etc. It is a holding company. It should not be the party to any contract except for certain limited situations. This is not the entity that (i) manages or directly owns the HMOs (that is, for the most part, United HealthCare Services, Inc. (“UHS”) for management and UHS or UnitedHealthcare, Inc. for ownership), or (ii) offers the ASO, PPO, or other products (that is usually United HealthCare Insurance Company).
- (2) d/b/a: Western Ohio Health Care Corporation; also licensed in Kentucky.
- (3) Licensed as a life, accident and health insurance company in AL, AR, AZ, CA, CO, DC, DE, FL, GA, IA, ID, IL, IN, KS, KY, LA, MD, MI, MN, MO, MS, MT, NC, ND, NE, NM, NV, OH, OK, OR, PA, SC, SD, TN, TX, UT, VA, WA, WI, WV, & WY.
- (4) Limited or single service health Plan ("LSHMO"). Spectera Vision, Inc. is licensed as LSHMO in IN.
- (5) This entity will dissolve or merge with another UHG legal entity, subject to any required regulatory approval.
- (6) Ingenix, Inc. owns .01%. Established a representative office in Beijing, China.
- (7) United HealthCare of Illinois, Inc. (DE domicile) merged into UnitedHealthcare (Newco), Inc. (IL domicile) in order to redomesticate to IL and changed its name to UnitedHealthcare of Illinois, Inc. effective 5/31/02. Also licensed in Indiana.
- (8) Licensed in Iowa and Nebraska.
- (9) Licensed in Rhode Island and Massachusetts.
- (10) UnitedHealthcare of Minnesota, Inc. merged into UnitedHealthcare Alliance LLC effective 12/31/02. This LLC holds the intangible assets of UnitedHealthcare and is the employer of its top management.
- (11) Licensed in Missouri, Illinois and Kansas.
- (12) Db Prescription Solutions. Licensed as Pharmacy and TPA in many states.
- (13) **United HealthCare Services, Inc.** (“UHS”) (formerly UHC Management Company, Inc. and before that Charter Med, Inc.) is a Minnesota corporation and wholly owned subsidiary of UnitedHealth Group. It is the technical employing entity (i.e., it files the payroll taxes in the 50 states) for substantially all UnitedHealth Group personnel. It is qualified to do business in all 50 states and the District of Columbia. It is not licensed as an HMO or an insurance company but is licensed in numerous states as a TPA or UR agent. It is the management company for almost all the health plans and the insurance companies. It owns most of the assets (i.e., desks, computers etc.) used by all employees. It rents most of the space used by all UnitedHealth Group entities and people. Many of the specialty businesses, i.e., Evercare, URN, Optum, Uniprise, Healthmarc, etc., operate as divisions/dbas of UHS, rather than separate legal entities (though there may be a shell bearing a similar name). UHS is the entity that should be the party to the facilities, supply or other contracts that are for UnitedHealth Group generally. See p. 5 for UHS’ assumed/fictitious names.
- (14) Licensed as a PPO or MCO in one or more states.
- (15) Licensed as a UR Agent in one or more states.
- (16) Licensed as a TPA in one or more states. (Called “independent adjuster” in New York.)
- (17) “AmeriChoice” is being filed as an assumed name for Lifemark Corporation in California, Indiana, and Michigan. See next page for its UHS filings.
- (18) registered either a DBA, TradeName or Trade Mark of “i3 Research”, “i3 Magnifi”, and/or “i3 Drug Safety” in several states
- (19) Also has dba of: Care Programs
- (20) Other 50% is owned by UnitedHealthcare Asia Limited
- (21) Also licensed in Virginia and the District of Columbia. United HealthCare of Virginia, Inc. merged into it effective 12/31/01 on approval of VA BOI, MIA, & MD DAT (later filing by VA Corp.Comm.).
- (22) Licensed as a life and health insurance company in AL, AK, AZ, AR, CA, CO, CT, DE, DC, FL, GA, GU, HI, ID, IL, IN, IA, KS, KY, LA, ME, MD, MA, MI, MN, MS, MO, MT, NE, NV, NH, NJ, NM, NC, ND, OH, OK, OR, PA, RI, SC, SD, TN, TX, UT, VT, VA, WA, WV, WI, & WY. Redomiciled from IL to IN 10/2/06.

SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER AND HMO MEMBERS OF A HOLDING COMPANY GROUP

PART 1 - ORGANIZATIONAL CHART

- (23) Licensed as HMO or LSHMO in FL, IN, IL, MO.
- (24) General partnership interests are held by UHS (89.77%) and its wholly owned subsidiary, Commonwealth Physician Services Corporation (10.23%). UHS also holds 100% of the limited partnership interests. When combining general partner and limited partner interests, UHS owns 94.18%, Commonwealth Physician Services Corporation owns 5.83% (for a combined 100% ownership). (All numbers are rounded to two decimal points.) Licensed as an HMO in Kentucky and Indiana. Has to use the name United HealthCare of Kentucky, L.P. in Indiana.
- (25) A Hong Kong “private” limited liability company owned 99% by UnitedHealthcare International Asia, LLC and 1% by UnitedHealth Group International, Inc.
- (26) d/b/a: UnitedHealthcare, Inc., a Corporation of Delaware (obtained for use in Oklahoma).
- (27) Licensed as a life and health insurance company in AK, AR, CO, DE, DC, FL, GA, ID, IL, IN, IA, KS, KY, LA, MD, MI, MS, MT, NE, ND, OH, OK, OR, PA, SC, SD, TN, TX, WV, WI & WY.
- (28) 80 shares out of 1,656,250 shares (.0048%) owned by UnitedHealth Group International, Inc.
- (29) UHG is the sole member of the United Health Foundation and Evercare Hospice Foundation, both MN non-profit organizations.
- (30) **United HealthCare Insurance Company** (“UHI”) is a Connecticut domestic life & health insurance company that is licensed as an insurance company in 49 states (not New York), District of Columbia, Puerto Rico, Guam, the U.S. Virgin Islands, the Commonwealth of the Northern Mariana Islands, and American Samoa. This entity offers a variety of products including EPO, PPO, ASO/self-funded, and indemnity.
- (31) Licensed in Ohio only.
- (32) Licensed in New York and the District of Columbia.
- (33) Licensed in Illinois only. Voluntarily surrendered COA in Florida.
- (34) PhilamCare Health Systems, Inc. is 49.86% owned by PhilamLife and .28% owned by various individuals.
- (35) Formerly known as R.W. Houser, Inc.
- (36) Licensed in NY for life, annuities, and accident & health. Formerly named United HealthCare Life Insurance Company of New York.
- (37) Branches in Republic of South Africa and Croatia.
- (38) Assumed names for UnitedHealth Networks, Inc. that must be used in the states listed below: NH (UHN UnitedHealth Networks), TX (UHN UnitedHealth Networks, Inc.), NY (United Networks), OH & OR (UnitedHealth Network, Inc., a Corporation of Delaware)
- (39) Ingenix, Inc. owns 5%.
- (40) 38.81% owned by United HealthCare Services, Inc. & 0.63% owned by United Healthcare International, Inc.
- (41) Remaining 1% is owned by PacifiCare Health Systems, LLC. Licensed in DC, GU, VI, and all States, except NY. “Commercially domiciled” in CA.
- (42) Licensed as a life and health insurance company in CA & IL.
- (43) One percent owned by ClinPharm International Ltd.
- (44) Around 6.5% of the shares are owned by AmeriChoice management, which United will acquire after five years from Sept. 2002 acquisition, subject to certain acceleration events. UnitedHealth Cares, Inc. fka AmeriChoice Associates Assistance Fund, Inc. is a GA nonprofit qualified in other states.
- (45) 70% owned directly and 30% controlled through individual nominee shareholders from whom we have powers of attorney.
- (46) Licensed as a DPO in MD and HMO in TX
- (47) Licensed as a reinsurance intermediary in some states
- (48) Licensed as a producer in most states. Formerly named DCG OnLine, LLC.
- (49) 3.33% held by Ingenix, Inc.
- (50) Licensed as life & health insurer in AZ, CA, CO, GU, IL, IN, KY, NV, NJ, NM, OH, OK, OR, TX, UT, WA
- (51) Licensed as a health insurer in IN.
- (52) Mid Atlantic Medical Services, Inc. merged into Mid Atlantic Medical Services, LLC (formerly MU Acquisition LLC) upon acquisition by UnitedHealth Group, with Mid Atlantic Medical Services, LLC as the survivor. It also has the UnitedHealthcare Children’s Foundation fka MAMSI Children’s Foundation and HomeCall Hospice Services Foundation, Inc. (being dissolved). It is the sole member of several real estate LLCs: Hillcrest, LLC; Frederick Associates, LLC; & Hillcrest Plaza II, LLC. The Jochum Trust for compensation of former CEO is administered by UHG Human Capital.
- (53) Licensed as an HMO in DC, DE, MD, VA, & WV

SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER AND HMO MEMBERS OF A HOLDING COMPANY GROUP

PART 1 - ORGANIZATIONAL CHART

- (54) Intentionally left blank
- (55) Licensed as a Collection Agency in MD
- (56) Licensed as a Life, Accident & Health Insurance Company in AL, AR, AZ, CO, DC, DE, GA, HI, ID, IL, IN, KS, KY, LA, MD, MS, MO, NE, NV, NM, NC, ND, OK, PA, SC, SD, TN, TX, UT, VA, & WV
- (57) Formerly named Alliance PPO, LLC when it was a subsidiary of MAMSI Life and Health Ins. Co.
- (58) Licensed as a Producer in several states
- (59) Licensed as a Hospice in numerous states
- (60) Licensed as a Pharmacy in many states. RxSolutions has an assumed name of Prescription Solutions.
- (61) JCAHCO; Medicare certification; licensed in MD for nursing, home health aides, physical, occupational & speech therapy, medical social work, home health, & laboratory
- (62) JCAHCO, licensed in MD for residential service, agency skilled nursing & aides, and home health services
- (63) 23.3% owned by Mid Atlantic Medical Services, LLC. Licensed as an HMO in DC, MD, & VA
- (64) Licensed as a Life, Accident & Health Insurance Company countrywide, except in NY(Unimerica Life Insurance Company of New York is licensed in NY).
- (65) Former name was Unimerica, Inc.
- (66) 5.2% owned collectively by Eric Porterfield, and Anthony Cepullio
- (67) Licensed as an HMO in NJ
- (68) Licensed as an HMO in NY. Will be merging into UnitedHealthcare of New York, Inc.
- (69) Licensed as an HMO in PA
- (70) Licensed as an HMO in MI
- (71) Licensed as a life, accident & health insurance company in AK, AR, AZ, CO, DE, IA, ID, IL, IN, KS, KY, LA, MI, MN, MO, MS, ND, NE, NM, NV, OH, OK, OR, SC, SD, TX, UT, WA, & WI
- (72) Intentionally left blank
- (73) Survivor of merger with Oxford Health Plans, Inc. Former name was Ruby Acquisition, LLC. NAIC Group Code of regulated subsidiaries was 1182 prior to acquisition. Two non-stock Political Action Committees: Oxford Health Plans, Inc. (CT) Committee for Quality Health Care, Inc. and Oxford Health Plans, Inc. (NY) Committee for Quality Health Care, Inc., DE corps. Licensed as ins. agency in NY dba The Oxford Agency.
- (74) Licensed in 47 states and the District of Columbia. Not licensed in CT, NY, or VT.
- (75) Licensed as a Health Care Center (HMO) in CT with a Limited License for less than 5,000 members in RI.
- (76) Licensed as an insurance company in CT, NJ, NY, & PA.
- (77) Formerly named Point Acquisition, LLC, the survivor of the merger with PacifiCare Health Systems, Inc., which enabled the acquisition of PacifiCare. Also owns 21.1% of Alere Medical Incorporated, a CA corporation, including 16,068,245 shares of non-voting preferred stock and warrants to purchase an additional 1 million shares of non-voting preferred stock.
- (78) Sole member of PacifiCare Health Systems Foundation, a CA nonprofit corporation.
- (79) TX DOI has accepted a dba of “United HealthCare – Texas” for this company’s use by AmeriChoice
- (80) United HealthCare Services, Inc.’s filed assumed names/dbas include (continuation of footnote 13):

- AmeriChoice (FL, IL, IN, MD, NE, RI & WA)

- Center for Health Care Policy and Evaluation (MN)

- Charter HealthCare, Inc. (NM, RI)

- Employee Performance Design (IL, KY, MN, NE, OR)

- EverCare (numerous states)

- GenCare PPO (IL, MO)

- Health Professionals Review (ME)

- HealthCare Evaluation Services (MN)

- Healthmarc (numerous states)

- HealthPro (AK, CT, IL, KY, MA, OH, VT)

- Institute for Human Resources (FL, OR, WA)

SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER AND HMO MEMBERS OF A HOLDING COMPANY GROUP

PART 1 - ORGANIZATIONAL CHART

- Managed Care for the Aged (MN)
 - Optum (MN, CA)
 - Personal Decision Services (MN)
 - SeniorCare Select & Design (MN)
 - UHC Management & Administrators (CA)
 - UHC Management (VT)
 - UHC Management Company (AK, MA, NH, UT, WV)
 - UHC Management Company, Inc. (AL, AZ, AR, CA, CO, CT, DE, FL, GA, ID, IL, IN, IA, KY, LA, ME, MD, MA, MI, MN, MO, MT, NE, NJ, ND, OH, OR, PA, RI, SD, TN, TX, VA, WA)
 - UHC of Illinois Inc. and United HealthCare of Illinois, Inc. (IL)
 - UHC of Missouri and United HealthCare of Missouri (MO)
 - UMC Management Company, Inc. (OH)
 - United HealthCare (MA, UT)
 - United HealthCare Corporation (AZ, AR, CA, CO, CT, DE, FL, GA, ID, IN, IA, KY, LA, ME, MD, MO, MT, NC, ND, NE, NJ, OH, OR, RI, SD, TX, WA)
 - United HealthCare, Inc. (LA, SD, WV)
 - United HealthCare Management (VT)
 - United HealthCare Management Company, Inc. (IL, MI, OK, PA, TN, VA)
 - United HealthCare Management Services (PA, NY)
 - United HealthCare Services of Minnesota (NH)
 - United HealthCare Services of Minnesota, Inc. (AR, FL, IL, OK, RI, SD, VT, WV)
 - United Resource Networks (CA, GA, IL, IN, IA, MD, MI, MN, MO, NE, NY, NC, RI, UT)
 - United Resource Networks, Inc. (CO, TN)
 - UnitedHealth Group Incorporated (CA)
- (81) fka as John Deere Health Care, Inc.
- (82) fka as John Deere Health Insurance, Inc. Licensed as an insurance company in IA, IL, TN, & VA.
- (83) fka as John Deere Health Plan, Inc. Licensed as an HMO in IA, IL, TN, & VA, withdrew from KY & SC.
- (84) Known as HealthCare Software Synergies, Incorporated in MD
- (85) Branch office in Taiwan
- (86) In process of changing its name to RxSolutions NY IPA, Inc.